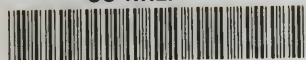


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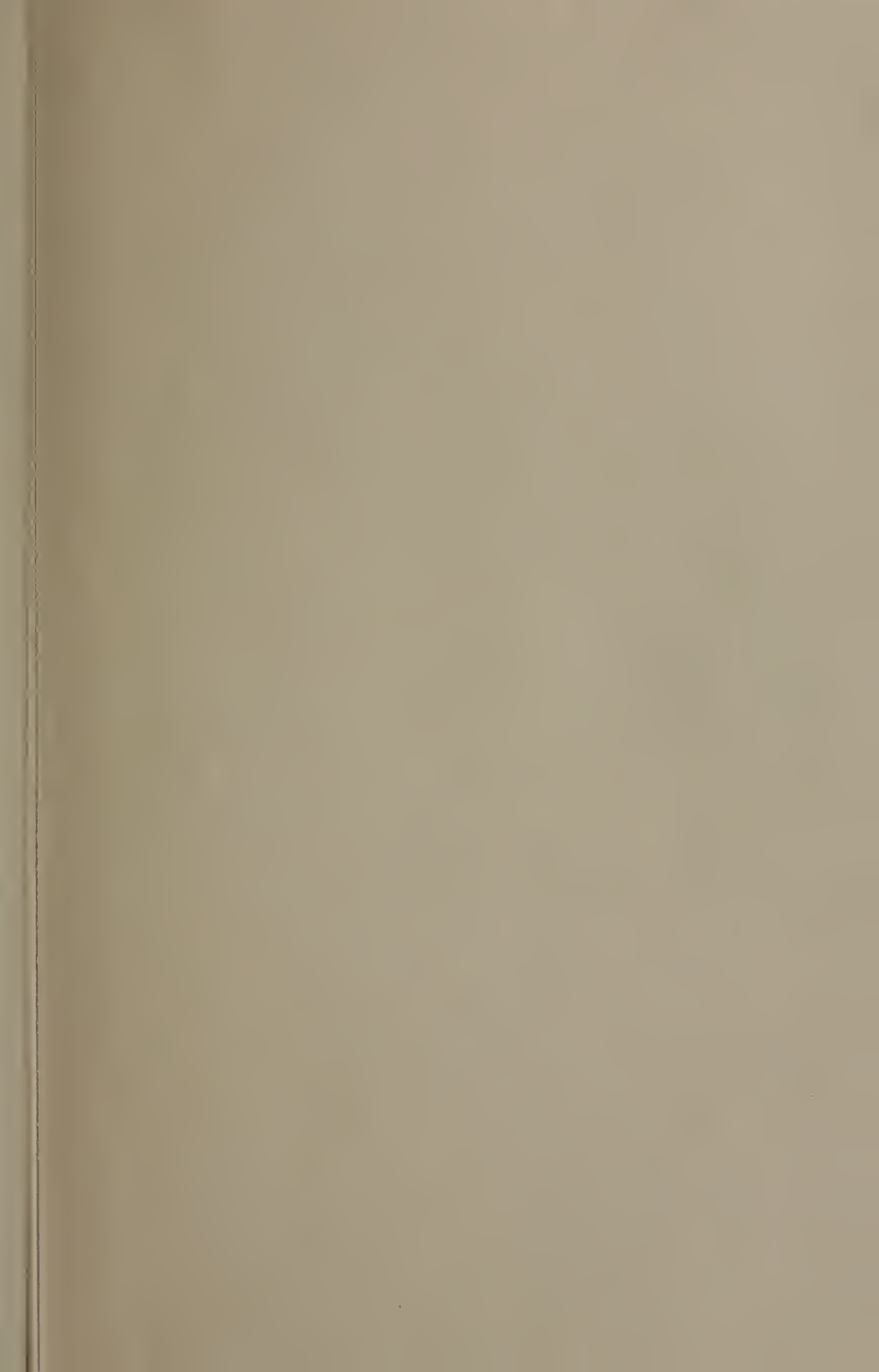
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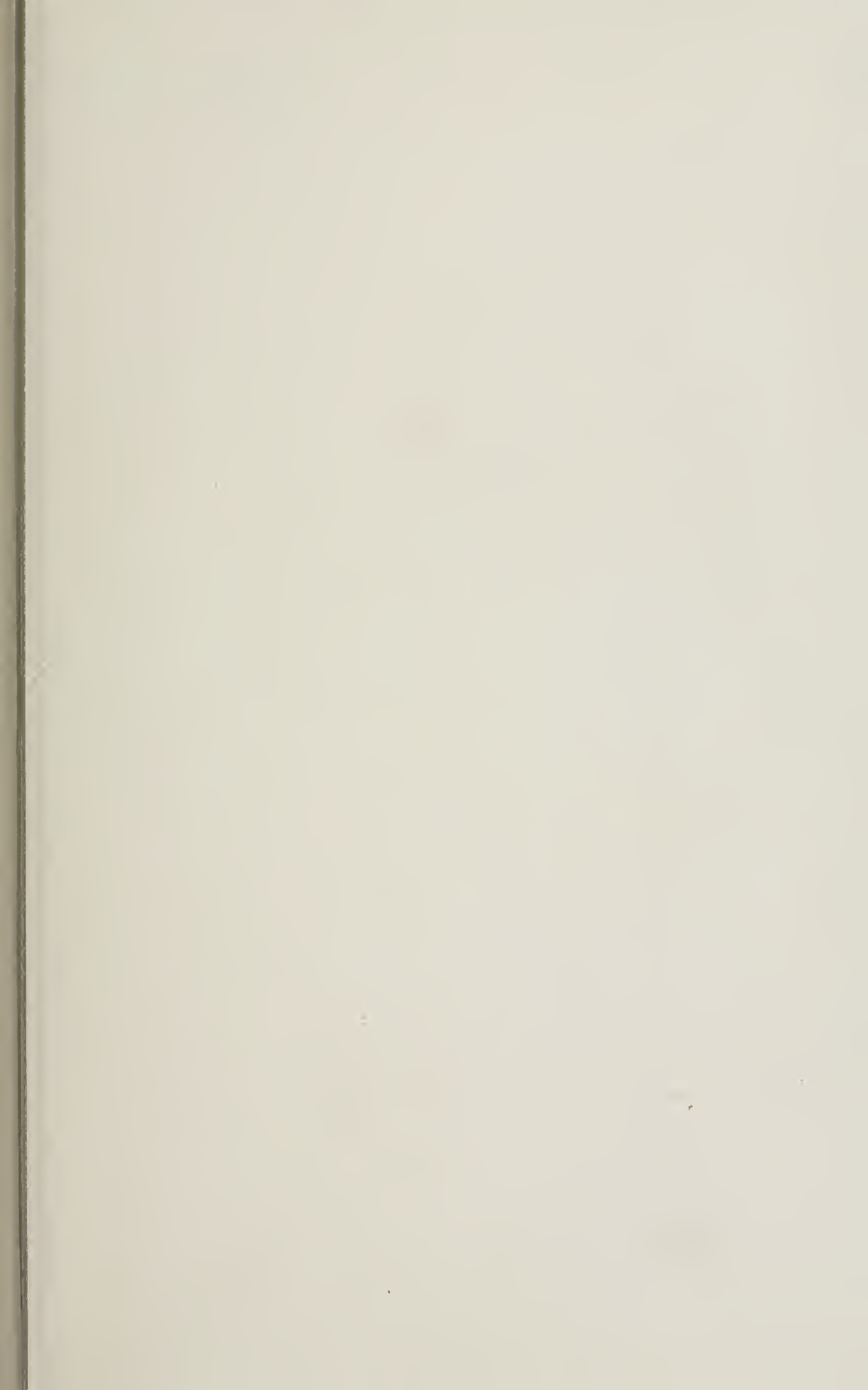
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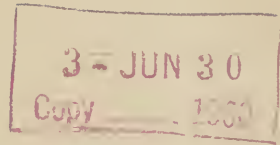
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REVIEW OF THE ORGANIZATION AND TRANSACTIONS OF THE CUSTOMS RECEIVERSHIP OF SANTO DOMINGO DURING THE FIRST YEAR OF ITS OPERATION, APRIL 1, 1905-MARCH 31, 1906, WITH COLLATERAL EXHIBITS AND REMARKS.

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OFFICE OF THE
CONTROLLER AND GENERAL RECEIVER,
Santo Domingo, D. R., March 31, 1906.

The customs receivership of Santo Domingo was organized at the request of the Dominican Republic for the combined purposes of securing the maintenance of the national independence, removing the incentive to internal revolution, and to protect creditors, collect revenues, and segregate funds for the payment of debts.

That it has accomplished its financial undertaking during the first year of its operations is shown by the fact that more revenue was actually collected in cash than has been reported as having been collected during any of the preceding years in the history of the country, when not only cash but scrip and other evidences of indebtedness were received in payment of customs dues, and when importations were stimulated by reason of the fact that creditors were only able to collect through orders upon custom-houses, which they sold at a discount, thus lowering the duty to the purchaser and importer, although the customs returns did not indicate it.

Two millions and a half in customs revenues were received, from which the Government expenses were paid and approximately a million and a quarter deposited in trust for the security of creditors and amortization of the public debt—this in striking contrast to the results of customs operations in former years, when, having control of the entire revenues of the Republic, the Government has not only been unable to pay its current expenses, but has found its apparent public debt increased at the average rate of almost a million dollars a year since independence was gained in 1865. The transactions of the last twelve months have therefore resulted in the first halt upon the road to insolvency, and start in the opposite direction, that has been experienced by the Republic. Instead of a million behind, it is a million and over ahead—a difference of two millions from the debit to the credit side.

POLITICAL EFFECT OF MODUS VIVENDI.

The effect which the present arrangement for handling the customs revenues has exerted upon the political conditions of the country is discussed at considerable length in the annual reports of

the Hon. Emiliano Tejera, Minister of Foreign Relations, and the Hon. Federico Velasquez, Minister of Finance and Commerce. The former says, in part:

The beneficial result of this proper disposition, both politically and economically speaking, is shown by the failure of the last revolution, etc. * * * The day will come when the convention of the 7th of February and the *modus vivendi* will be appreciated to their full value. Both agreements are the deliberate results of the purest and most conscientious patriotism.

And the latter:

Thanks to this timely measure, the country at once entered upon a period of relative ease, * * * while the source which always fed disturbance became barren by reason of the fact that the custom-houses were out of reach of revolutionary parties, as is shown by the failure of the last powerful revolution, which would no doubt have spread over the entire country, filling it with blood, mourning, and tears, and desolating again its villages and fields had it not been for the sole and principal circumstance that the fountain which had provided proselytes and resources had failed, and for which they (the revolutionists) are now sighing in despair.

These reports are of such general interest, and so clearly set forth the conditions obtaining in the Republic, as well as the attitude of the Government and substantial people of the country, that particular attention is invited to the extended extracts therefrom, appended as Exhibits R and S.

No one acquainted with the facts can doubt that the ports of Santo Domingo would have been occupied by foreign powers before this, and that the dissolution of the nation as an independent state would have been accomplished, or to-day imminent, from internal violence and foreign interference, had not the United States heeded the appeal of the Dominican Government and rendered the timely assistance required. To appreciate the desperate crisis in the affairs of the nation, at the time of its appeal, one must bear in mind the stormy events that had combined to bring it about, the financial and political straits to which the Republic had been reduced, and the deplorable morale of its people. That the patriotic citizens of the country had just cause for alarm may be seen from the trend of events, as shown by the historical memorandum appended as Exhibit Q, which bears additional interest by reason of the fact that it is taken from the works of the distinguished Dominican author, José Gabriel García.

ORGANIZATION.

The receivership was established in pursuance of Dominican Government decree (Exhibit A) of March 31, 1905; the President of the United States having complied with the request of the Dominican Government by naming a New York bank as depository for the

funds to be segregated, and suggesting the name of a person for appointment as receiver.

The decree of March 31, 1905, became operative upon the following day, and, although the receiver and his staff did not arrive in Santo Domingo until April 20, the revenues had been so handled from April 1 that it was possible to start the records of the receivership as of that date. Formal possession and control of the several custom-houses at the seacoast entry ports was taken as soon as the means of transportation permitted. Notices thereof (Exhibit B) were posted accordingly, and mailed to the foreign resident representatives. By agreement with the Dominican Government, the chief Dominican customs official at each port of entry was appointed deputy receiver, in form shown by Exhibit C, and furnished personal bond for the faithful performance of duty and accounting for all revenues received; being, at the same time, granted an increase of 20 per cent in salary as compensation for the additional responsibility and duties required. The Dominican officials who thus became a part of the receivership are, as a rule, bright, active men, anxious for the reform of the service, and have cooperated to the fullest extent in systematizing the work. Extracts from their annual reports are appended as Exhibit O and show the local conditions at the various ports, as well as the attitude of these Dominican officials toward the present arrangement.

The central administrative office, to which all reports are made and in which all accounts are audited, was organized at Santo Domingo City, the capital of the Republic, having a working force at the start, in addition to the receiver, of two Americans, three Dominicans, and one British subject, the latter being a resident of Santo Domingo and employed as translator. In addition to this force, one American was assigned to duty as deputy controller and traveling auditor, and another as deputy controller in charge of customs upon the land frontier. Since the first organization was effected the office force has been increased, as the work developed, by the addition of two Americans and one Dominican and the outside force by three Americans assigned to the Haitian frontier.

By direction of the honorable Secretary of War of the United States, through whom the President's order of March 28, 1905, was carried into effect, the American employees were selected by the receiver with reference only to their integrity and fitness to perform the duties required. Those engaged were, at the time they came to Santo Domingo, either members of the American or Philippine civil service on leave of absence, or granted leave through the courtesy of Col. C. R. Edwards, from the Bureau of Insular Affairs, War Department, for that purpose; and it is due to the fact that they

were capable and experienced men that no serious delay was encountered in grasping the complicated work which awaited them. The personnel and present organization of the receivership are shown by Exhibits E, F, and G.

PREVIOUS CONDITION OF SERVICE.

While there were some things to be commended about the customs administration of the Republic—notably, the prompt discharge, handling, and delivery of cargoes—it fell far short of furnishing an effective means of securing the revenue. The service was without head; each collector assessed duties under a most intricate tariff, according to his own interpretation, without reference to any higher authority or other port, and even the rates of duty collected differed at the various ports. The tariff laws were scattered through official gazettes published at intervals since 1867, some fifty in number, and had never been assembled. Therefore, a state of confusion existed that is hardly describable, but which was apparently accepted as without remedy. The Central Government had been so frequently overthrown in the past that no one remained long enough to become acquainted with the laws or needs of the service; no regulations for carrying into effect the revenue laws had been issued, and hence local collectors, unable to obtain rulings or instructions, were compelled to act entirely according to their own judgment. There was practically no accounting system. Collectors were required to show the amount of duties “produced” by each inward cargo, but there the system seems to have lapsed; and as importers were entitled to from ten to sixty days, according to amount, in which to pay their duties, it was most difficult to ascertain whether or not they were all paid and the money turned in. Only vague records were kept of actual moneys received by the Central Government, and all reports heretofore made concerning customs receipts represent the amounts which should have been received if the duties were honestly assessed, but not in any case the actual cash transactions. Added to the confusion produced by these methods was the system of handling the moneys received, which were not collected by customs officers, but by the “administrators of finance” in the several districts, who also received other Government revenues, and, instead of remitting them to the Central Treasury, paid them out in the districts where collected under confused instructions of the Central Government and local governors; so that, as a matter of fact, practically none of the customs revenues ever reached the Treasury of the Republic. Another means by which the cash revenue receipts had been diminished was the credit system in vogue. Importers, being allowed ten

to sixty days after receipt of their merchandise in which to pay the corresponding duties, took advantage of the Government's financial straits to discount their own obligations, and, by advancing small sums of cash, were released from the future payment of much larger amounts representing the legal duties. These transactions were so numerous that an association of merchants was organized under the name of "Junto de Credito," and for years made a business of purchasing from the Government importers' obligations, including their own, at rates ranging from 3 to 10 per cent a month, compounded every sixty days, plus a commission, or advancing small amounts of cash in exchange for large orders receivable at the custom-houses as cash in the liquidation of duties.

Although the law provided for inspections of custom-houses by representatives of the Central Government, none had been made, as local governors claimed the exclusive control of all officers in their districts. Altogether, it would have been difficult to have adopted a system or followed practices better calculated to invite fraud or promote dishonest transactions.

In view of these conditions it is not especially surprising that nothing remained to show for the forty-odd millions of revenue collected (Exhibit K) since 1867, or that, with a similar system, or lack of system, in treating the general finance of the country, it should have incurred a public debt approximating thirty-five millions during the same period. Inefficiency in these matters promoted revolutions, which have, in turn, destroyed, by their frequency, any possibility of bettering conditions, without assistance, and aided in dissipating the revenues and moneys borrowed. The apparent public debt and result of the financial operations of the Republic to April 1, 1905, are shown by Exhibit M and supplementary table with Exhibit Q.

NEW SYSTEM INAUGURATED.

In endeavoring to remedy the conditions outlined, it became the first duty of the receivership to establish a system that would insure the collection of the duties provided by law and the delivery at the central office of the funds received at the eight seacoast and three land entry ports. Fortunately, the customs law requires consular manifests and invoices, which were made (although they had never before been used for that purpose) the basis for revenue accounts, each deputy receiver being held personally responsible under his bonds for the legal duties upon all merchandise imported or shown to have been imported by those documents. The necessary customs forms were adapted, printed in Spanish, and put in use. These forms were made as simple as possible, and although none have been

adopted that were not absolutely necessary to cover the work, sixty-eight were in use at the end of the year. Regulations for the administration of the customs and classification of merchandise were promulgated in both Spanish and English in the form of administrative circulars and circular letters, thirty-eight of the former and twenty-eight of the latter having been issued during the year. The customs revenue laws and tariff schedules were assembled for the first time and published in one volume by the receivership, in English, which was followed by a similar publication in Spanish, serving to facilitate the proper and more uniform classification of imported merchandise.

AUDITING.

In addition to the ordinary administrative work naturally falling upon the main office of the receivership, it undertook and has accomplished the work, usually performed by a separate department, of auditing all revenue, as well as other accounts connected with the service, requiring of deputy receivers at the various ports monthly reports, accountings, and samples of merchandise imported. In addition to this the accounts of the various seacoast entry ports are verified upon the ground at least once each month by a traveling inspector.

STATISTICS.

Permanent statistical records of the commerce of the Republic have been established, and all work incident to their formation has been done in the central office. Two summaries of commerce have been published in pamphlet form and others in the local papers. Hereafter it is proposed to publish semiannual summaries, with consolidations, by calendar years, the next report to cover the entire period from April 1, 1905, to July 1, 1906. The reports concerning the commerce of the Republic published by the receivership contain the first comprehensive and reliable data of the kind compiled, and since they have been distributed the Dominican Government has established a Bureau of Statistics, the compilations of which, so far as commercial statistics are concerned, are based upon information gathered under the direction of the receivership.

CONCENTRATION OF REVENUES COLLECTED.

A serious difficulty was encountered in the handling and concentration of the funds collected at the eleven widely separated entry ports. There being no bank in the Republic, it was necessary to create some means of receiving and transmitting the funds to the central office at the capital. Señor Santiago Michelena, a substantial business man who had some experience in banking and was

connected with prominent firms throughout the country, was interested and provided the necessary banking facilities whereby the deputy receivers were enabled to deposit their funds with his agents at the several entry ports and received drafts upon his office in Santo Domingo, which they remitted to the general receiver. These drafts were then deposited with Señor Michelena's main office at the capital. Every dollar collected at every entry port has been remitted in this manner, and all disbursements, even to the salaries of the lowest customs employees at remote stations, are made upon vouchers and paid by separate checks issued from the central office of the receivership. Thus, for the first time, have the customs revenues of the Republic reached a central depository and been distributed in such manner as to enable the Government to know with certainty something of its cash transactions and that all of the funds expended have reached their proper destination. Detailed accounts, supported by vouchers covering all receipts and disbursements, have been furnished the Dominican Government at the close of each month's business.

SMUGGLING BY LAND.

One of the most serious questions to be dealt with was the smuggling across the land frontier from Haiti. The boundary line between the two Republics extends through a wild desert and mountainous region, from Manzanillo Bay on the north to Perdenales on the south coast, a distance of about 150 miles; and while custom-houses had long been established along the line at the towns of Dajabon, Comendador, and Tierra Nueva, the revenue laws were not enforced, and no reports were made by these offices to the Central Government. The finance committee of Congress complained of this in its annual report submitted in July, 1905, saying, in part:

These custom-houses on the frontier have never followed the established law for assessment and collection of the duties. For this reason, the reorganization of these offices becomes imperative, as all inhabitants should be taxed alike.

The more rigid enforcement of the customs laws at the seacoast entry ports, which followed the organization of the receivership, resulted in an increase of smuggling upon the frontier to such an extent that it was apparent the revenues would be seriously affected unless some remedy was applied. The frontier question was an old one to the Government, which had practically abandoned all attempts to suppress smuggling as hopeless.

CUSTOMS AND FRONTIER GUARD.

Nevertheless, its support was promised to any attempt the receivership might make in that direction, and it was finally arranged to organize a body of men composed of (120) Dominican citizens, to be

known as the "customs and frontier guard," which was to be placed under the control of the receivership and immediate command of an American in charge of the customs upon the frontier. These men were to act in the double capacity of frontier police and customs officers, and their salaries have therefore been paid from the gross customs revenues before division. The guards, half of whom were mounted, were stationed along the frontier in September, and at the request of the Dominican Government American deputy receivers were appointed for the three frontier custom-houses, with the additional duty of inspecting the guard.

The attempt to enforce the law in that wild region was an innovation, and caused considerable antagonism. One American representative of the receivership was wounded and robbed by outlaws before he reached his post, and several attacks were made upon the Dominican members of the guard; but they were organized to stay, and the results, from a revenue standpoint, have been most satisfactory, as shown by the fact that the receipts of the seacoast custom-houses, which had been reduced by frontier smuggling, have been largely increased, especially those of Azua, Puerto Plata, and Monte Christi. It is conservatively estimated that at least \$200,000 has been saved to the revenue through this means during the last nine months.

The credit for the measure of success that has been attained in the frontier work is due largely to the fearless and persistent efforts of the Americans who have had it directly in charge, and who have labored unremittingly, amid the dangers and discomforts of a savage region, to obtain results that had been despaired of. The organization, expense, and personnel of the customs and frontier guard are shown by Exhibits F, G, H, and Table 7 of Exhibit D.

EQUIPMENT.

For the system employed, the customs service and entry ports of the Republic are fairly well equipped, except in the matter of water transportation, for which no provision whatever has been made; and it is due to that fact that considerable smuggling is carried on along the coast by means of small vessels trading with adjacent islands. This trade yields large profits to the smugglers, who purchase their cargoes in the free trade British Turk group, at St. Thomas, or at the Dutch island of Curaçao, where the duties are but 2 per cent ad valorem, and sell them in Santo Domingo, where the duties average more than 70 per cent of the value. To stop this illicit trade, as well as to prevent the unauthorized introduction of arms and ammunition, three small revenue cutters are required.

The Government owns its own office buildings at each port, and the working force, comprising the customs organization, which is

shown by Exhibit G, is sufficient to handle the work involved. The wharves and harbor improvements have been furnished by foreign concessionnaires, who at some ports handle the merchandise after it has been unladen, and in all cases collect fees under concessions running from twenty-five to ninety-nine years upon all goods imported and products exported. The nationality of the concessionnaires at the various ports is as follows: Azua, Macoris, and Barahona, American; Santo Domingo and Samana, Italian; Puerto Plata, Spanish; Sanchez, British; and Monte Christi, German.

CUSTOMS RECEIPTS.

The gross customs receipts for the year ending March 31, 1906, were \$2,502,154.31, which exceed those of any previous year in the history of the Republic, as shown in Exhibit K, containing a statement of the amounts "produced" during each year since 1866. Duty upon imports was the principal source of income, amounting to \$2,036,920.49, collected upon merchandise valued at \$3,233,027.12, or, say, 63 per cent ad valorem; export duties furnished \$322,189.43, or 5.4 per cent of \$5,966,472, the approximate value of exports. Port dues were collected to the amount of \$86,113.05; and the miscellaneous receipts, including proceeds from auction sales, personal fees, and refundable items, amounted to \$56,931.34.

The most noticeable increase in the customs revenues over those of preceding years is to be found in the amount of import duties collected; the receipts from that source having reached and exceeded two millions for the first time, although a corresponding increase in import values is not shown, indicating, probably, that the import schedule has been more regularly applied. The record of import values available for previous years is, however, so unreliable that no satisfactory comparative statement can be made, nor can any comparative showing be made of export duties, as that schedule has not remained the same during any two years since 1867. The highest amount collected from this source, however, was in 1900, during which year practically all products were taxed upon exportation, resulting in collections amounting to \$635,785.55, or more than double the average annual receipts; while the import duties for the same year, collected upon merchandise valued at \$3,233,177.87, were but \$1,668,404.89. The large receipts of that year, \$2,392,001.72, being the second largest in the history of the Republic, are therefore accounted for by the abnormally high receipts from exports, rather than from any general increase. The schedule of export duties now in force is probably the lightest and covers the fewest number of articles of any that has been applied, while the export duty upon sugar has been entirely abolished.

In point of receipts, the entry ports of the Republic rank as follows: (1) Puerto Plata; (2) Santo Domingo; (3) Sanchez; (4) Macoris; (5) Azua; (6) Monte Christi; (7) Samana; (8) Barahona.

EXPENDITURES.

The total expenditures of the year, properly chargeable as cost of collecting the customs revenues, based upon the items included in determining the cost of collection in the United States, amounted to \$97,405.99, or 3.09 per cent of the gross receipts. Other expenditures, including such items as traveling expenses from and to the United States, exchange upon transfers of funds to New York after collection, etc., amounted to \$12,915.63, making the total of all expenses paid from the 55 per cent of the revenues under the terms of the decree of March 31, 1905, \$110,321.99, or, say, 4.4 per cent of the receipts, a percentage still considerably less than that of the average cost of collection in the United States. For the purpose of comparison, the following percentages are quoted from the returns of 1903: San Francisco, 6 per cent; Baltimore, 5.2 per cent; Hawaii, 8.9 per cent; Porto Rico, 6.7 per cent; and Alaska, 9.9 per cent. In view of the small receipts of the Republic, and the necessity of maintaining some ports at which the receipts are not sufficient to pay the cost of maintenance, the general average cost of collection has been remarkably light—too light, in fact, to meet the legitimate expenses of a well-organized and fully equipped service. Among the additional expenses that will have to be met in future are those of suitable water transportation, including harbor launches and boarding boats, which are badly needed.

The expense of the frontier guard, organized under the supervision of the receivership, is treated as the expense of such guards (inspectors) is in the United States, entirely separate from any port, and is not included as an item in determining the cost of collection. The expense of this organization is paid from the gross revenue before division, and in that way divided between the Government and the trust fund.

The details of all customs revenues received by this office, and expenses paid thereby, are set forth in Tables 1 to 10 of Exhibit D.

TOTAL RECEIPTS AND EXPENDITURES OF THE REPUBLIC.

The total cash general revenue receipts of the Republic from all sources during the calendar year 1905 were \$2,427,802.20, of which \$2,163,997.15 represented customs collections and \$263,804.75 internal revenue, as itemized together with the expenditures for the year in Exhibit L.

As the internal revenues collected were, to a considerable extent, the taxes imposed upon spirits and through stamps to be affixed to certain imported articles, by laws enacted during the latter part of 1904, which did not become operative until January 1, 1905, and the necessary machinery for carrying them into effect was not, and has not yet been provided, the amounts shown do not represent the results expected nor those which should have been obtained if the laws had been properly administered. The Government estimates that with the improvement in the system of collection recently adopted these taxes will yield \$400,000 during the present year. If they are properly applied and the receipts accounted for they will probably exceed half a million.

SUMMARY OF COMMERCE.

The aggregate value of the foreign trade of the Republic during the calendar year 1905 amounted to approximately ten millions of dollars, the exact sum, as shown by customs documents, being \$9,992,361. The value of imports, not including currency, was \$2,736,828, against exports valued at \$6,880,890, showing that the value of native products sold to foreign countries had been more than double that of the merchandise purchased abroad, and that the year's operations had resulted in the relatively large balance of trade in favor of the Republic of \$4,144,062. Included in the total value of trade, but not in the value of imports and exports, are \$359,435 of gold, silver, and paper currency imported from the United States and \$15,208 exported to the same country.

The deductions from these facts regarding the year's business appear most satisfactory, indicating that, while practically a million dollars had been deposited abroad during the year for use in the amortization of the public debt, the amount had been paid through the exchange resulting from sales of the country's surplus products; no currency shipments had been required on that account and a foreign credit exceeding two millions and a half still remained. This latter inference must, however, be qualified to some extent in consideration of the fact that the sugar industry of the Republic, furnishing as it does approximately one-half the value of exports, is largely owned and financed from abroad.

The foreign trade was carried on principally with the United States, Germany, France, and Great Britain, in the order named as to relative importance. The trade with the United States amounted to \$6,445,346, or 65 per cent of the whole, representing imports received from that country valued at \$1,961,075 and exports to it invoiced at \$4,484,271. Thus the United States purchased 65 per cent of all the native products exported and furnished 59 per cent of the merchandise imported during the year.

Seventeen per cent of the trade went to Germany, 11 per cent to France, and 4.5 per cent to Great Britain, the latter being the only country mentioned whose sales to the Republic were greater than its purchases from it. The remainder of the trade, in minor proportions, was divided between Italy, Spain, Belgium, Cuba, Porto Rico, and "all other countries," as shown by the accompanying statistical tables.

Eighty per cent of the import values were furnished, in the order named, by manufactures of cotton, manufactures of iron and steel, rice, oils, provisions, preserved fish, manufactures of wood, manufactures of leather, manufactures of vegetable fibers, hats and caps, chemicals and drugs, malt liquors, and agricultural implements, while the remainder consisted of widely diversified products as itemized or shown under the heading of "all other articles" in the annexed schedules.

Cotton manufactures invoiced at \$218,100 were received from the United States and \$190,074 from Great Britain, while Germany, France, Spain, and Italy furnished \$69,450, \$36,707, \$19,742, and \$14,591, respectively.

Seventy-one per cent of the iron and steel, valued at \$287,381, came from the United States, the remainder being furnished principally, in the order named, by Great Britain, Germany, France, and Belgium.

Of the bread stuffs imported, to the value of \$232,049, 99.9 per cent came from the United States and consisted chiefly of wheat flour, of which 41,413 barrels were received, invoiced at \$209,823.

Ten million pounds of rice, valued at \$201,329, were received, 5,913,424 pounds coming from Germany, 2,203,707 pounds from Great Britain, 1,532,319 pounds from the United States, and 271,517 pounds from France.

Oils to the value of \$155,934 were imported, of which the United States furnished 95 per cent; while provisions, including meats and dairy products, were divided about equally between that country and Germany, the former supplying the meats and the latter the dairy products. Practically all of the ordinary dried fish, consisting chiefly of cod, and valued at \$109,455, was imported from the United States; while European countries furnished small quantities of the delicatessen class, to a total value of \$4,679.

The United States also furnished much the largest proportion of chemicals and drugs, soap, soap stock, refined sugar and confections, vegetables, vehicles, manufactures of wood, leather, and paper; while agricultural implements were furnished in about equal proportions by that country and Germany. France furnished a considerable proportion of the chemicals and drugs, and exceeded

all others in the value of wines, liquors, and distilled spirits supplied. Great Britain furnished the greatest values in manufactures of vegetable fibers, and Italy in hats and caps.

The principal exports, of relative value in the order named, were sugar, cacao beans, tobacco leaf, bananas, coffee, hard woods, hides and skins, and beeswax.

The sugar shipments of 105,972,400 pounds, valued at \$3,292,470, represent substantially the 1905 crop, and, with the exception of 1,359,799 pounds, which were distributed principally between Germany and Great Britain, went entirely to the United States. This product, which was sold at a good profit to the producer, furnished nearly half the total value of the year's exports.

The total shipments of cacao beans, which were also a profitable crop, amounted to 28,836,364 pounds, invoiced at \$2,211,873, being consigned as follows: To Germany, 11,840,612 pounds; to France, 8,981,591 pounds; to the United States, 7,816,441 pounds; and to the United Kingdom, 197,720 pounds.

Tobacco leaf aggregating 11,510,762 pounds, valued at \$480,487, was exported, Germany taking 5,890,665 pounds, the United States 3,719,458 pounds, and France 1,900,639 pounds.

Beeswax produced in the Republic amounted to 470.922 pounds, valued at \$94,669, of which Germany purchased 182,785 pounds, France 152,550 pounds, and 111,462 pounds were sent to the United States.

The aggregate value of cattle hides and goatskins exported was placed at \$111,075; shipments to the United States being invoiced at \$63,714; to Germany, \$24,278; and to France, \$21,591.

Bananas, of which 514,000 bunches, valued at \$257,000, were shipped to the United States; coffee, to the extent of 2,149,188 pounds, with a value of \$156,963, shipped principally to Germany, France, and the United States; and various kinds of tropical hard woods, including mahogany, *lignum-vitæ*, and satinwood, with a total value of \$135,154, are among the other important exports.

Cocoanuts, copra, dyestuffs, honey, gums, resins, and vegetable fibers are also natural products of the country, but owing to lack of attention they are at present exported only in small quantities.

The aggregate foreign tonnage of the eight entry ports of the Republic was 1,751,172 (registered tons), representing 1,544 entrances and clearances by foreign vessels.

Of the total imports, cargoes valued at \$1,952,352, or 63 per cent of the value of all importations, were brought in American bottoms; while import values to the extent of \$700,382 were delivered by German, \$208,990 by French, \$93,945 by British, \$88,621 by Norwegian, and \$51,975 by "all other" vessels.

In the export trade, Norwegian vessels head the list of carriers, having received cargoes valued at \$1,827,426, or 26.5 per cent. American vessels were next, with consignments invoiced at \$1,692,741, or 24.5 per cent; followed by German vessels, with \$1,574,134, or 22.8 per cent; British vessels, with \$1,123,838, or 16.3 per cent; and French vessels, with cargoes valued at \$367,072.

Italian, Dominican, Dutch, Cuban, and other vessels, in the order named as to relative value of cargoes carried, were engaged in the foreign trade of the Republic.

The details of the foreign trade of the country during the calendar year 1905 are shown by Exhibit I, appended.

PRINCIPAL PRODUCTS.

As will be seen from the foregoing summary of commerce, the principal products of the Republic are at present sugar, cacao, coffee, and hard wood.

Sugar has been produced upon the island since the fifteenth century, with varying profits and occasional losses, according to the world's markets, the climate and soil being especially adapted to its production. One hundred and eighty-three thousand acres of land, divided between fourteen estates, are now devoted to the raising of sugar cane, and probably ten times that number of acres are available within the Republic for similar use. The annual output since 1885 has ranged from twenty to fifty thousand tons. The sugar produced is shipped in the raw state, there being no refinery in the Republic, and grades as Dutch standard No. 16. Eighty per cent of the production polarizes 95° to 96° ; 12 per cent, 81° to 83° ; and the residue yields molasses of 42° , which is used in the country for making rum.

The culture of cacao is of more recent introduction and is being gradually extended.

The cacao bean grows upon a small tree that begins to bear fruit four years after the seed planting and reaches its full productiveness in its eighth year, after which no limit has been observed as to the length of time it will continue to bear the maximum quantity of fruit. The tree requires a deep, rich soil, of which there is an abundance in the Republic, for the indefinite extension of its culture. The bearing groves are small and owned principally by natives in the interior, although a few large plantations started by foreigners are just beginning to produce.

Cacao was produced for local consumption only until 1888, since which time each year has shown an increased exportation. The first reliable record shows the exportation of 1891 to have been but 1,000 tons, while the exportation of 1905 amounted to 12,873 tons, an

increase of twelve-fold in fifteen years, and the large number of trees planted, but as yet not bearing, together with the attention which is now being given to the extension of this industry, warrants the belief that cacao will in time become the principal and most profitable product of the country. Each bearing tree is said to yield a net profit of 50 cents per annum to its owner.

Probably the only benefit the country has ever received from cheap money is the development of this industry. Until the present debased coin was put in circulation, about 1888, the inhabitants were accustomed to receive, for their cattle and other animals, Spanish gold, which they hoarded and buried, but with the advent of the cheap and fluctuating tin dollar which accompanied the financial difficulties of the time, and which drove out the gold theretofore in circulation, they ceased their hoarding and, upon the advice of President Heuraux, used the new pesos to purchase the labor required in extending this industry.

Another condition which contributed to increase the plantings of cacao trees was the general slump in the price of coffee, formerly an important and profitable crop. This fall of price was so disastrous that for a time owners of coffee plantations were compelled to abandon their groves and turn their attention to other products.

The exportation of coffee this year amounts to but 959 tons, which will, however, yield a good profit, owing to the failure of the crop elsewhere.

Hard woods, of which there is a great variety and abundance, including mahogany, satinwood, and *lignum-vitæ*, are as yet taken out for exportation only in the most primitive way and shipped in the log, there being no suitable sawmills in the country.

The climate and soil of the Republic is especially adapted to agriculture, and almost any product of the torrid or the temperate zones may be successfully grown, although potatoes, beans, onions, and other vegetables, as well as cereals, are at present imported from abroad and sold at exorbitant prices in the local markets. The local price of ordinary onions is, for instance, 15 cents per pound, or, say, \$8 per bushel.

The Dominican Government is desirous of promoting agriculture, and welcomes immigrants with sufficient capital to establish themselves in that industry.

LAND LAW.

To encourage actual settlements all Government land, without reservation, was by an act of Congress approved June 9, 1905, thrown open to free settlement. This act provides that the settler shall file a bond of \$2 per acre, conditioned upon his improving the land taken,

and the bond to be returned after certain simple improvements specified have been made. The settler is given free use of the land for ten years and thereafter charged a rental or tax equal to about 5 cents per acre.

HISTORY OF THE TARIFF.

The customs revenues, having furnished the principal and practically the only means of support of the Republic, as well as the chief incentive to revolution, have been made the subject of more legislation than any other national interest. Hundreds of laws have been passed, increasing, decreasing, and changing rates, providing the kinds of moneys and documents to be received in the payment of duties, and for the disposition of the proceeds, but no regulations for the uniform application of the law or tariff decisions thereunder have been issued.

The original tariff, under which all imported articles mentioned were to pay 16 per cent upon the arbitrary values established thereby, and articles not mentioned 20 per cent upon their appraised values, was published and promulgated in the days of the first Republic by General Santana, May 29, 1845. This tariff, with many additions and changes as to rates, has continued in force through the second Spanish occupation down to the present time, when it is found to include four different kinds of duties, namely: "Aforo" (73.8 per cent upon the fixed values); "derechos fijos" (specific duties plus 30 per cent surtax); "ad valuo" (73.8 per cent ad valorem); and special ad valorem rates upon jewelry, precious stones, and musical instruments.

During the second Spanish régime importers were given the option of paying duty according to the Dominican tariff or those in force in Cuba or Porto Rico. The most important laws, decrees, and incidents affecting the tariff and customs have been noted in Exhibit P.

The improved condition of the service, resulting from the year's work, is due in a great measure to the fact that each American employee of the receivership has not only been enthusiastically in earnest in the performance of his duties, but by his personal conduct has gained the respect and confidence of those whom he has been called upon to assist and direct. The general supervision of the work accomplished by such a personnel has been a source of keen satisfaction to the undersigned, and the difficulties occasionally encountered in carrying out the functions of the receivership have added interest to the duties imposed.

GEO. R. COLTON,
Controller and General Receiver.

EXHIBITS.

EXHIBITS.

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EXHIBIT A.

[Copy of translation of the decree of March 31, 1905, publishing the "modus vivendi" (Official Gazette No. 1587, April 1, 1905).]

CARLOS F. MORALES L.,

Constitutional President of the Republic.

For the purpose of protecting all the creditors of the Republic until the Dominican Congress and the Senate of the United States shall act upon the convention signed on the 7th of February of the current year by the representatives of the Governments of the Dominican Republic and of the United States, of maintaining alive meanwhile the said convention, and of facilitating its full execution if it should be ratified, or not prejudicing any right should it be rejected;

The opinion of the council of Secretaries of State having been heard:

Resolves:

First. To name the person to receive the revenues of all the custom-houses of the Republic, and, for the better guaranteeing of the latter's creditors, to leave to the President of the United States the designation of the person who will receive said revenues, the Dominican Government conferring upon him the office, providing always that the designation shall be satisfactory to it.

Second. The sums collected shall be distributed in the following manner:

(a) Forty-five per cent to be used in administrative expenses.

(b) The necessary expenses of collecting, including the salaries of all the employees of the custom-houses.

Third. The remainder, as a sum destined to the payment of debts, shall be immediately deposited in a bank in New York, which shall be designated by the President of the United States, remaining on deposit for the benefit of all the creditors of the Republic, Dominican as well as foreign, and shall not be withdrawn before the Dominican Congress and the Senate of the United States shall have acted upon the pending convention.

Fourth. If the final action of the Congress of the Dominican Republic and of the Senate of the United States shall be favorable to the pending convention, the sums so deposited shall be distributed among the creditors in proportion to their just claims, in

accordance with said convention; if the action of the said Congress and Senate shall be adverse, the said sums shall be at the disposition of the Dominican Government for equitable distribution among the creditors, according to the arrangement it shall make with them.

Fifth. In order to do effectively what is above provided for, the Executive suspends all payments upon the debts of the Republic, of whatever nature, during the time that this *modus vivendi* continues in operation.

No document shall be received in payment of customs or port dues, and the total amount of all revenues payable through the customs shall be delivered to the receiver of whom this resolution makes mention.

Sixth. This *modus vivendi* is not intended to interfere with or change the substantial rights of creditors, nor to repudiate or modify any of the agreements hereinbefore made by the Government, except in so far as the immediate enforcement of such rights and agreements may be suspended by the general moratorium herein declared.

This *modus vivendi* will take effect from the 1st of April of the current year.

Given in the National Palace of Santo Domingo, capital of the Republic, on the 31st day of March, 1905; sixty-second year of independence and forty-second of the restoration.

(Signed) MORALES L.

Countersigned:

The Minister of Finance and Commerce,
FEDERICO VELASQUEZ H.

EXHIBIT B.

[Translation.]

OFFICE OF THE
CONTROLLER AND GENERAL RECEIVER OF CUSTOMS
OF THE DOMINICAN REPUBLIC,
Santo Domingo, D. R., April 30, 1905.

Administrative Circular,
No. 1.

Notice for the information of all concerned.

Customs service of the Dominican Republic; assuming control and taking possession.

The undersigned having been presented for nomination in pursuance of the order of the President of the United States of America, dated March 28, 1905, and having been duly appointed controller and general receiver of Santo Dominican customs by the President of the Republic of Santo Domingo, in accord with his decree of March 31, 1905, does hereby assume official control and possession of the custom-house and service at the port of ———. From and including April 1, 1905, the date upon which the *modus vivendi* became operative, all customs dues will be payable in cash, in the money legally receivable for such dues, and no document or evidence of indebtedness of any kind shall be received in lieu thereof.

(Signed) GEORGE R. COLTON,
Controller and General Receiver.

EXHIBIT C.

[Translation.]

OFFICE OF THE
CONTROLLER AND GENERAL RECEIVER OF CUSTOMS
OF THE DOMINICAN REPUBLIC,

Personnel Circular,
No. —.

Santo Domingo, D. R., ———, 190—.

—— Port of; appointing —— deputy receiver at.

Paragraph I. —— is hereby designated and appointed as deputy receiver of customs for the port of ——, and as such authorized and directed to receive for me and receipt in my name for all customs dues, charges, and the proceeds of all administrative penalties legally collectible and enforceable thereat.

Paragraph II. All funds so received by said deputy receiver shall be accounted for and transmitted to, and in the manner prescribed by, the undersigned for disposition in accordance with the stipulations of the decree of the 31st of March, 1905.

Paragraph III. This appointment shall be effective from —— 190—, on which date Mr. —— assumed the duties of deputy receiver.

Paragraph IV. The auditor for this office will be guided accordingly in the matter of compensation.

Controller and General Receiver.

EXHIBIT D.

Customs receipts and expenditures.

TABLE NO. 1.

Consolidated statement of receipts and expenditures, and disposition of funds, during the year ending March 31, 1906.

RECEIPTS.

Gross receipts from customs	\$2, 502, 154. 31
-----------------------------------	-------------------

EXPENDITURES AND DISPOSITIONS.

1. Refunds, personal fees, and concession benefits.....	63, 224. 17
2. Maintenance of customs and frontier guard.....	22, 674. 86
3. Customs expenses proper, including expenses of receivership...	97, 405. 99
4. Other expenditures, not a part of the current expenses of the customs and receivership proper.....	12, 915. 63
* 5. Paid Dominican Government (45 per cent of divisible revenue)..	1, 087, 314. 86
† 6. Deposited to the credit of the trust fund.....	1, 218, 618. 80
	2, 502, 154. 31

TABLE NO. 2.

Consolidated statement showing method of dividing the revenues collected, and results for the year, explanatory of Table No. 1.

Gross receipts, April 1, 1905, to March 31, 1906.....	\$2, 502, 154. 31
Less refundable duties, personales, and for maintenance of the customs and frontier guard.....	85, 899. 03
(Remainder) Divisible revenue.....	2, 416, 255. 28
Forty-five per cent paid Dominican Government.....	1, 087, 314. 86
(Remainder) Fifty-five per cent of divisible revenue.....	1, 328, 940. 42
Less expenses of customs receivership, and other items payable from 55 per cent.....	110, 321. 62
(Remainder) For deposit to credit trust fund.....	1, 218, 618. 80

*The divisible revenue was \$2,416,255.28, which is represented by the item "Gross receipts from customs," less expenditure items 1 and 2.

†Item 6 represents 55 per cent of the divisible revenue, less items 3 and 4. To ascertain the exact amount of the trust fund the accrued interest upon the daily balances at the rate of 2.5 per cent must be added to the sums deposited from time to time to the credit of the trust fund. Item 6 represents only the total sum segregated from the customs receipts. The interest credited to April 1, 1906, per advices, amounted to \$9,917.64, making the total trust fund to date, April 1, 1906, \$1,228,536.44.

TABLE No. 3.

Consolidated statement showing the total gross receipts by months and sources.

Month.	Import duties.	Export duties.	Port dues.	Miscellaneous customs collections.	Personal fees, including wharf, overtime, and other refundable items.	Total.
1905.						
April	\$145,113.64	\$35,514.14	\$10,850.89	\$216.62	\$2,341.28	\$194,036.55
May	94,401.75	35,026.61	2,969.81	854.88	2,658.57	135,911.61
June	119,275.13	62,459.00	7,656.83	1,076.44	3,464.53	193,931.93
July	142,498.59	46,787.13	3,412.98	974.48	3,744.20	197,417.38
August	184,375.67	30,476.36	1,173.65	.....	4,483.74	220,509.42
September	118,432.28	11,820.83	783.81	1,224.36	3,023.72	135,285.01
October	161,747.68	9,836.98	1,727.97	222.78	2,963.64	176,499.05
November	164,933.38	13,772.84	3,511.10	593.40	4,746.96	187,557.66
December	178,529.97	22,481.20	2,337.06	361.95	5,349.39	209,059.57
1906.						
January	334,974.01	19,488.72	16,761.54	711.39	6,116.29	378,051.95
February	175,090.39	17,510.21	17,362.44	911.33	4,714.17	215,588.54
March	217,548.00	17,015.41	17,564.97	468.76	5,708.46	258,305.60
Total	2,036,920.49	322,189.43	86,113.05	7,616.39	49,314.95	2,502,154.31

TABLE No. 4.

Consolidated statement showing total current expenditures on account of expenses proper of the customs receivership.

Salaries of officers and employees.....	\$87,389.21
Expendable supplies, rents, and repairs.....	7,485.60
Expenses of officers traveling under orders within the Republic.....	1,091.00
Cablegrams sent and received within the Republic.....	1,440.10

Total expenses chargeable as cost of collecting the revenue..... *97,405.91

TABLE No. 5.

Consolidated statement showing the total of other expenditures not a part of the current expenses proper of the customs receivership.

Unexpendable property.....	\$1,797.60
Traveling expenses from and to the United States.....	1,268.90
Morris settlement and expenses.....	5,300.00
Exchange on transfers to New York.....	2,700.00
Incidentals	1,849.00
Total.....	12,915.60
Total expenditures shown by Table 4.....	97,405.91

Total expenditures made for all purposes from 55 per cent of divisible revenue under terms of the decree of March 31, 1905.. †110,321.60

* Upon this basis, which is substantially that upon which the cost of collecting the revenue in the United States is ascertained, the cost of collection to the Dominican Republic per \$1 wa \$0.0309.

† This amount represents \$0.044 for each dollar of the gross revenue collected.

TABLE NO. 6.

Consolidated statement showing the total expenses of the office and traveling representatives of the controller and general receiver, as distinct from the usual Dominican customs organization.

[These expenses are also included in Tables Nos. 4 and 5, and are therefore not in addition thereto.]

Salaries of officers and employees	\$23, 474. 87
Expendable supplies and repairs.....	4, 293. 62
Traveling expenses from and to the United States.....	1, 268. 95
Traveling expenses within the Republic.....	1, 091. 00
Unexpendable property	1, 377. 78
Telegrams and incidentals.....	2, 686. 99
Total.....	34, 193. 21

TABLE NO. 7.

Consolidated statement showing the expenditures on account of the customs and frontier guard, from the date of its organization, September 1, 1905, to March 31, 1906.

[For organization, see Exhibit H.]

Salaries and wages.....	\$15, 770. 44
Traveling expenses	1, 217. 75
Hire of animals and fodder.....	1, 953. 45
Expendable supplies, rents, and repairs.....	406. 70
Unexpendable property	2, 318. 12
Incidentals	1, 008. 40
Total.....	22, 674. 86

TABLE NO. 8.

Consolidated statement showing expenditures on account of refundable duties, personal fees, concession benefits, and other items deducted before division of the revenue, except the expense of the guard, which is shown by Table 7.

Refunds of duties overcollected, etc.....	\$2, 593. 76
Personal fees, etc.....	11, 052. 63
Concession fees.....	38, 210. 99
Uncollected pagares on account of April, 1905, business.....	8, 167. 96
Amount remitted under "award" by collectors, Puerto Plata, Monte Christi, from April, 1905, collections, not accounted for to receivership.....	2, 751. 43
February and March, 1905, items included in April statement of receipts, refunded.....	447. 40
Total	63, 224. 17

TABLE NO. 9.

Statement showing receipts by ports and by sources, with totals.

Ports.	Import duties.	Export duties.	Port dues.	Miscellaneous customs collections.	Personal fees, including wharf, overtime, and other refundable items.	Total.
<i>Seacoast.</i>						
Azua	\$72,090.61	\$4,325.83	\$4,977.00	\$923.00	\$1,171.01	\$83,487.45
Barahona	3,635.86	908.43	353.04	537.13	81.18	5,515.64
Macoris	284,221.81	16,518.12	53,225.20	324.11	10,359.85	364,649.09
Monte Christi.....	61,115.48	5,110.61	2,288.98	1,440.66	808.91	70,764.64
Puerto Plata.....	753,588.62	100,479.39	6,227.26	822.70	12,941.34	874,059.31
Samana	45,499.99	20,887.93	973.77	.....	1,559.24	68,920.93
Sanchez	223,203.16	153,610.48	392.75	1.59	20,023.46	397,231.44
Santo Domingo.....	592,502.99	19,690.52	17,675.05	3,388.52	2,369.96	635,627.04
<i>Land frontier.</i>						
Comendador	347.23	346.00	.....	97.79	.....	791.02
Dajabon.....	166.81	.....	.....	10.89	.....	177.70
Tierra Nueva.....	547.93	312.12	.....	70.00	.....	930.05
Total.....	2,036,920.49	322,189.43	86,113.05	7,616.39	49,314.95	2,502,154.31

TABLE NO. 10.

Statement showing expenditures by ports, representing local customs expenses and cost of collection.

Ports.	Salaries and wages.	Expendable supplies, rents, repairs, and incidentals.	Total customs expenses.	Local cost of collection per dollar.
Azua.....	\$5,497.00	\$127.46	\$5,534.46	\$0.0662
Barahona.....	2,439.00	174.10	2,613.10	.4734
Macoris.....	8,774.17	154.72	8,928.89	.0244
Monte Christi.....	3,563.00	899.45	4,462.45	.063
Puerto Plata.....	9,860.68	1,010.88	10,871.56	.0124
Samana.....	5,190.99	52.50	5,243.49	.076
Sanchez	7,299.00	98.90	7,397.90	.0186
Santo Domingo.....	11,343.83	414.48	11,758.31	.018
Comendador.....	1,619.95	46.15	1,666.10	2.11
Dajabon.....	1,261.28	58.13	1,319.41	7.42
Tierra Nueva.....	1,353.57	55.21	1,408.78	1.52

Name of officer or employee.	Title or designation.	Nationality.	Date of appointment.	Appointed from—	Station.	Date of release.	Cause of release.
Arredondo, Alfredo.....	Assistant statistician.....	Dominican ..	Nov. 16, 1905	Santo Domingo.....	Office controller and general receiver.	.....	.....
Arredondo, Julio.....	Assistant auditor.....	.....do	June 15, 1905	.....do .....	.....	.....	.....
Beall, M. E.....	Additional deputy controller.....	American.....	Sept. 19, 1905	United States Civil Service.	Haitian frontier.....	.....	.....
Bensen, W. Theodore.....	Record clerk.....	.....do	Sept. 13, 1905	.....do	Office controller and general receiver.	.....	.....
Bonilla, Luis E.....	Messenger and janitor.....	Dominican ..	Sept. 16, 1905	Santo Domingo.....	.....do .....	.....	.....
Carrel, M. Drew.....	Secretary and chief statistician.....	American.....	Apr. 12, 1905	United States Civil Service.	.....do .....	.....	.....
Colton, George R.....	Controller and general receiver.....	.....do .....	.....do	Philippine Civil Service.	.....do .....	.....	.....
Delgado, B. A.....	Typewriter.....	Dominican ..	July 5, 1905	Santo Domingo.....	.....do .....	.....	.....
Edwards, J. H.....	Deputy controller.....	American.....	Apr. 12, 1905	Philippine Civil Service.	Traveling .....	.....	.....
Leiper, E. F.....	Acting collector and deputy receiver.	.....do	Apr. 1, 1905	U. S. Navy.....	Monte Christi.....	July 31, 1905	Orders U. S. Navy Department.
Leon, Abraham C.....	Translator	British.....	Apr. 24, 1905	Santo Domingo.....	Office controller and general receiver.	.....	.....
Marin, Luis F.....	Messenger and janitor.....	Dominican ..	May 18, 1905	.....do .....	.....do	July 5, 1905	Incompetency.
Milbourn, John.....	Inspector.....	American.....	Jan. 30, 1906	.....do	Haitian frontier.....	.....	.....
Morris, David F.....	Deputy receiver.....	.....do	July 5, 1905	United States.....	.....do	Jan. 20, 1906	Resigned, account of wounds received in service.
Nevar, Alfredo.....	Assistant statistician.....	Dominican ..	July 1, 1905	Santo Domingo.....	Office controller and general receiver.	.....	.....
Phillips, James S.....	Acting collector and deputy receiver.	American.....	Aug. 1, 1905	U. S. Navy.....	Monte Christi.....	.....	.....
Rose, William.....	Bookkeeper .....	.....do	Dec. 19, 1905	Philippine Civil Service.	Office controller and general receiver.	.....	.....
Schellings, H. B.....	Inspector.....	.....do	Sept. 1, 1905	Santo Domingo.....	Traveling .....	.....	.....
Schwartz, Joseph.....	Special agent.....	.....do	Apr. 12, 1905	United States.....	.....do	Jan. 12, 1906	Resigned; ill health.
Smith, H. Warren.....	Auditor.....	.....do .....	.....do	Philippine Civil Service.	Office controller and general receiver.	.....	.....
St. Elmo, Walter M.....	Deputy receiver.....	.....do	July 5, 1905	United States.....	Haitian frontier.....	.....	.....
Thurston, Charles P.....	.....do .....	.....do .....	.....do .....	.....do .....	.....do .....	.....	.....
Worley, H. F.....	Additional deputy controller.....	.....do	Apr. 12, 1905	United States Civil Service.	.....do	Sept. 19, 1905	Do.

EXHIBIT F.

Statement of the organization and personnel of the customs receivership, as distinct from the usual customs organization of the Republic, March 31, 1906.

MAIN OFFICE.

Controller and general receiver—George R. Colton.
Secretary and chief statistician—M. Drew Carrel.
Auditor—H. Warren Smith.
Bookkeeper—William Rose.
Translator—Abraham C. Leon.
Record clerk—W. Theodore Bensen.
Assistant auditor—Julio Arredondo.
Assistant statisticians—Alfredo Nivar and Alfredo Arredondo.
Typewriter—B. A. Delgado.
Messenger—Luis E. Bonilla.

OUTSIDE REPRESENTATIVES.

Deputy controller and traveling auditor—J. H. Edwards.
Additional deputy controller (land customs, Haitian frontier)—
M. E. Beall.
Deputy receivers—W. M. St. Elmo, Dajabon (Haitian frontier),
and C. P. Thurston, Comendador (Haitian frontier).
Inspectors—H. B. Schellings (traveling) and John Milbourn
(Haitian frontier).

EXHIBIT G.

Statement of the usual and authorized customs organization and salaries at the various entry ports of the Republic, forming a part and under the administrative control of the receivership.

Title of official or employee.	Number employed.	Annual salary each.	Total, by grades.
<i>Azua.</i>			
Collector and deputy receiver.....	1	\$1,920.00	\$1,920.00
First official.....	1	600.00	600.00
Second officials.....	2	300.00	600.00
Interpreter.....	1	360.00	360.00
Chief of guards.....	1	360.00	360.00
Guards.....	6	240.00	1,440.00
Boatmen.....	4	120.00	480.00
Laborers.....	2	120.00	240.00
Porters.....	1	108.00	108.00
Total annual expense.....			6,108.00
<i>Barahona.</i>			
Collector and deputy receiver.....	1	960.00	960.00
First official.....	1	360.00	360.00
Chief of guards.....	1	300.00	300.00
Guards.....	4	216.00	864.00
Messenger.....	1	96.00	96.00
Boatmen.....	2	120.00	240.00
Total annual expense.....			2,820.00
<i>Macoris.</i>			
Collector and deputy receiver.....	1	2,400.00	2,400.00
First official.....	1	900.00	900.00
Second officials.....	3	540.00	1,620.00
Interpreter.....	1	300.00	300.00
Chief of guards.....	1	480.00	480.00
Guards.....	12	360.00	4,320.00
Porter.....	1	108.00	108.00
Laborers.....	2	120.00	240.00
Total annual expense.....			10,368.00
<i>Monte Christi.</i>			
Collector and deputy receiver.....	(*)	(*)	(*)
First official.....	1	900.00	900.00
Interpreter.....	1	480.00	480.00
Chief of guards.....	1	360.00	360.00
Clerk.....	1	360.00	360.00
Special agent.....	1	360.00	360.00
Guards.....	8	240.00	1,920.00
Porter.....	1	240.00	240.00
Total annual expense.....			4,620.00
<i>Puerto Plata.</i>			
Collector and deputy receiver.....	1	2,400.00	2,400.00
Inspector.....	1	1,400.00	1,400.00
First official.....	1	1,200.00	1,200.00
Second officials.....	3	600.00	1,800.00
Interpreter.....	1	300.00	300.00
Chief of guards.....	1	480.00	480.00

* At present in charge of United States Naval officer.

Statement of the usual and authorized customs organization and salaries, etc.—Cont'd.

Title of official or employee.	Number employed.	Annual salary each.	Total, by grades.
<i>Puerto Plata—Continued.</i>			
Guards.....	10	\$360.00	\$3,600.00
Laborers.....	2	120.00	240.00
Boatmen.....	2	108.00	216.00
Porter.....	1	108.00	108.00
Total annual expense.....			11,744.00
<i>Samana.</i>			
Collector and deputy receiver.....	1	1,920.00	1,920.00
First official.....	1	600.00	600.00
Second officials.....	2	300.00	600.00
Interpreter.....	1	360.00	360.00
Chief of guards.....	1	360.00	360.00
Guards.....	6	240.00	1,440.00
Laborers.....	2	120.00	240.00
Boatmen.....	4	120.00	480.00
Porter.....	1	108.00	108.00
Total annual expense.....			6,108.00
<i>Sanchez.</i>			
Collector and deputy receiver.....	1	2,400.00	2,400.00
First official.....	1	840.00	840.00
Second officials.....	2	540.00	1,080.00
Interpreter.....	1	300.00	300.00
Chief of guards.....	1	480.00	480.00
Guards.....	10	300.00	3,000.00
Laborers.....	2	120.00	240.00
Boatmen.....	2	120.00	240.00
Porter.....	1	108.00	108.00
Total annual expense.....			8,688.00
<i>Santo Domingo.</i>			
Collector and deputy receiver.....	1	2,400.00	2,400.00
First official.....	1	900.00	900.00
Second officials.....	4	540.00	2,160.00
Assistant official.....	1	240.00	240.00
Interpreter.....	1	300.00	300.00
Chief of guards.....	1	480.00	480.00
Assistant chief of guards.....	1	420.00	420.00
Guards.....	16	360.00	5,760.00
Messenger.....	1	108.00	108.00
Porter.....	1	108.00	108.00
Laborers.....	4	120.00	480.00
Total annual expense.....			13,356.00
HAITIAN FRONTIER PORTS.			
<i>Comendador.</i>			
Collector and deputy receiver.....	1	1,351.92	1,351.92
Assistant to deputy receiver.....	1	720.00	720.00
Total annual expense.....			2,071.92
<i>Dajabon.</i>			
Collector and deputy receiver.....	1	1,400.00	1,400.00
Assistant to deputy receiver.....	1	720.00	720.00
Total annual expense.....			2,120.00
<i>Tierra Nueva.</i>			
Collector and deputy receiver.....	1	1,200.00	1,200.00
Assistant to deputy receiver.....	1	720.00	720.00
Total annual expense.....			1,920.00

Consolidated statement of total annual salaries of the Dominican customs service and receivership.

Seacoast ports:

Azua.....	\$6, 108. 00
Barahona	2, 820. 00
Macoris	10, 368. 00
Monte Christi	4, 620. 00
Puerto Plata.....	11, 744. 00
Samana	6, 108. 00
Sanchez	8, 688. 00
Santo Domingo.....	13, 356. 00

Haitian frontier ports:

Comendador.....	2, 071. 92
Dajabon.....	2, 120. 00
Tierra Nueva.....	1, 920. 00

69, 923. 92

Receivership 25, 340. 00

Total of all salaries 95, 263. 92

EXHIBIT H.

Statement of the organization and annual salaries of the customs and frontier guard.

[Organized and controlled by the receivership.]

Rank.	Number employed.	Annual salary.	Total of annual salaries.
<i>Southern division.</i>			
Paymaster sergeant.....	1	\$1,800.00	\$1,800.00
Captain	1	900.00	900.00
Sergeants	4	396.00	1,584.00
Corporals	6	336.00	2,016.00
Privates.....	60	300.00	18,000.00
Special agents.....	6	300.00	1,800.00
Mounts.....	35	91.25	3,193.75
Total southern division.....			29,293.75
<i>Northern division.</i>			
Paymaster sergeant.....	1	840.00	840.00
Sergeant	1	396.00	396.00
Corporals	6	336.00	2,016.00
Privates.....	32	300.00	9,600.00
Mounts.....	15	91.25	1,368.75
Total northern division.....			14,220.75
Total guard.....			43,514.50

RECAPITULATION.

	Number.	Salaries.
Commissioned officers:		
Captain	1	\$900.00
Noncommissioned officers:		
Paymaster sergeants.....	2	2,640.00
Sergeants.....	5	1,980.00
Corporals	12	4,032.00
Privates.....	92	27,600.00
Special agents.....	6	1,800.00
Mounts.....	50	4,562.50
Total		43,514.50

NOTE.—This organization is under general supervision of an additional deputy controller, temporarily stationed at San Juan, and three deputy receivers, commanding in their respective districts, with headquarters at the land ports of Dajabon, Comendador, and Tierra Nueva. These four officials are American citizens, and all other members of the guard Dominicans.

EXHIBIT I.

TABLE NO. 1.

Imports into the Republic of Santo Domingo during the calendar year 1905, showing the principal countries of origin.

Articles.	Quantity.	Value.	Articles.	Quantity.	Value.
Agricultural implements:			Bread stuffs—Continued.		
United States		\$15,394	All other—		
United Kingdom		2,427	United States		\$20,508
Germany		19,230	United Kingdom		70
France		321	Germany		74
Porto Rico		97	France		433
Other countries.....		1,362	Italy		820
Total		38,831	Spain		305
			Porto Rico		4
			Other countries.....		12
Animals:			Total		22,226
Horses and mules—	<i>Number.</i>				
United States	52	7,529	Chemicals, drugs, and		
Cuba	20	400	dyes:		
Porto Rico	27	1,344	United States		39,023
Total	99	9,273	United Kingdom		4,460
			Germany		2,989
Cattle—			France		10,856
United States.....	2	365	Italy		375
Porto Rico	134	4,075	Spain		85
Total	136	4,440	Cuba		113
			Porto Rico		74
All other—			Other countries.....		275
United States		96	Total		58,250
Germany		32			
Total		128			
			Coal:	<i>Tons.</i>	
Books, maps, and other			United States		12,803
printed matter:			United Kingdom		8,582
United States		2,563	Porto Rico		20
United Kingdom		5	Other countries.....		2,485
Germany		1,542	Total		23,890
France		1,445			
Italy		30	Cotton, manufactures of:		
Spain		463	United States		218,100
Cuba		388	United Kingdom		190,074
Total		6,436	Germany		69,450
			France		36,707
Bread stuffs:			Italy		14,591
Wheat flour—	<i>Barrels.</i>		Spain		19,742
United States	41,172	208,968	Belgium		90
Porto Rico	10	50	Porto Rico		1,038
Other countries.....	231	805	Other countries.....		2,982
Total	41,413	209,823	Total		552,774

TABLE No. 1—Continued.

Imports into the Republic of Santo Domingo, etc.—Continued.

Articles.	Quantity.	Value.	Articles.	Quantity.	Value.
Earthen, stone, and china ware:			Grease and grease scraps for soap stock:	<i>Pounds.</i>	
United States		\$589	United States	972,205	\$37,856
United Kingdom		1,915	Germany	22,926	503
Germany		13,144	France	357	8
France		1,001	Spain	1,130	150
Spain		14	Porto Rico	238,637	5,005
Belgium		73	Total	1,235,255	43,522
Total		16,736			
Fibers (vegetable), manufactures of:			Gums and resins:		
United States		29,770	United States		13,583
United Kingdom		32,409	United Kingdom		60
Germany		943	Germany		7
France		18,466	France		12
Italy		471	Total		13,662
Spain		766			
Other countries		2,896	Hats and caps:		
Total		85,721	United States		9,070
			United Kingdom		553
Fish (preserved), and fish products:			Germany		2,292
United States		109,455	France		4,626
United Kingdom		10	Italy		47,364
Germany		933	Spain		144
France		1,590	Porto Rico		652
Italy		522	Other countries		829
Spain		1,264	Total		65,530
Porto Rico		140			
Other countries		220	Iron and steel, manufactures of:		
Total		114,134	United States		287,381
			United Kingdom		63,568
Fruits and nuts:			Germany		37,022
United States		3,240	France		10,438
United Kingdom		15	Italy		709
Germany		99	Spain		262
France		1,464	Belgium		3,752
Italy		108	Cuba		93
Spain		1,487	Porto Rico		581
Cuba		105	Other countries		353
Other countries		49	Total		404,159
Total		6,567			
Glass and glassware:			Jewelry, including clocks and watches:		
United States		5,605	United States		1,532
United Kingdom		209	United Kingdom		111
Germany		3,099	Germany		846
France		441	France		3,588
Italy		176	Italy		1,141
Spain		3	Porto Rico		81
Belgium		7	Total		7,299
Porto Rico		23			
Total		9,563	Leather, and manufactures of:		
Gold and silver currency:			United States		59,455
United States		359,435	United Kingdom		3,860
			Germany		3,188
			France		4,988
			Spain		1,312

TABLE NO. I—Continued.

Imports into the Republic of Santo Domingo, etc.—Continued.

Articles.	Quantity.	Value.	Articles.	Quantity.	Value.
Leather, and manufactures of—Continued.			Paper, and manufactures of—Continued.		
Porto Rico		\$89	Cuba		\$182
Other countries.....		72	Other countries		3
Total		72,964	Total.....		28,249
Malt liquors (beer in bottles):	<i>Dosen.</i>		Perfumery and cosmetics:		
United States	4,175	5,240	United States		3,078
United Kingdom	450	690	United Kingdom		200
Germany	20,061	30,572	Germany		1,082
France	810	2,601	France		10,822
Spain	12	15	Italy		231
Other countries.....	55	34	Spain		130
Total	25,563	39,152	Other countries		19
			Total.....		15,552
Metals, and manufactures of, not elsewhere specified:			Provisions, comprising meats and dairy products:		
United States		7,939	United States		72,834
United Kingdom		1,016	United Kingdom		1,216
Germany		2,375	Germany		56,101
France		217	France		4,870
Italy		40	Italy		653
Spain		126	Spain		526
Cuba		85	Cuba		1,241
Porto Rico		97	Porto Rico		648
Other countries.....		81	Other countries		106
Total		11,976	Total.....		138,195
Oils:			Rice:	<i>Pounds.</i>	
United States		147,309	United States.....	1,532,319	31,613
United Kingdom		1,057	United Kingdom.....	2,203,707	35,334
Germany		1,609	Germany	5,913,424	127,704
France		1,653	France	271,517	4,868
Italy		465	Italy	1,100	29
Spain		2,013	Spain	4,032	124
Belgium		22	Other countries	90,913	1,657
Porto Rico		19	Total.....	10,017,012	201,329
Other countries.....		1,787			
Total		155,934	Rubber, manufactures of:		
			United States.....		4,286
Paints, pigments, and colors:			United Kingdom.....		822
United States		9,117	Germany		1,300
United Kingdom		2,577	France		466
Germany		2,507	Spain		12
France		41	Total.....		6,886
Spain		82			
Other countries		41	Soap:	<i>Pounds.</i>	
Total		14,365	United States.....	707,286	22,382
Paper, and manufactures of:			United Kingdom.....	652	29
United States		13,170	Germany	32	14
United Kingdom		299	France	801	116
Germany		7,945	Cuba	308	64
France		3,053	Porto Rico	200	8
Italy		760	Other countries.....	9,280	309
Spain		2,837	Total.....	718,609	22,922

TABLE NO. 1—Continued.

Imports into the Republic of Santo Domingo, etc.—Continued.

Articles.	Quantity.	Value.	Articles.	Quantity.	Value.
Sugar and confectionery:			Wines, liquors, and distilled spirits—Cont'd.		
United States.....		\$22,320	Germany.....		\$2,988
United Kingdom.....		411	France.....		10,290
Germany.....		1,773	Italy.....		2,142
France.....		1,233	Spain.....		4,394
Italy.....		246	Other countries.....		68
Spain.....		614	Total.....		22,900
Total.....		26,597	Wood, and manufactures of:		
Tobacco, manufactures:			United States.....		87,355
United States.....		368	United Kingdom.....		3,072
Germany.....		61	Germany.....		4,719
Cuba.....		2,365	France.....		598
Total.....		2,794	Italy.....		130
Umbrellas and canes:			Cuba.....		138
United States.....		960	Other countries.....		170
United Kingdom.....		1,366	Total.....		96,182
Germany.....		1,319	Wool, and manufactures of:		
France.....		1,730	United States.....		989
Italy.....		8,017	United Kingdom.....		5,105
Spain.....		799	Germany.....		6,461
Other countries.....		38	France.....		2,667
Total.....		14,229	Italy.....		549
Vegetables:			Spain.....		535
United States.....		16,620	Belgium.....		89
United Kingdom.....		271	Other countries.....		17
Germany.....		382	Total.....		16,412
France.....		2,149	All other articles not otherwise specified:		
Italy.....		362	United States.....		55,568
Spain.....		3,654	United Kingdom.....		4,568
Cuba.....		4,937	Germany.....		25,394
Porto Rico.....		889	France.....		18,655
Other countries.....		85	Italy.....		952
Total.....		29,349	Spain.....		1,144
Vehicles:			Belgium.....		410
United States.....		14,914	Cuba.....		56
Porto Rico.....		50	Porto Rico.....		1,139
Other countries.....		400	Other countries.....		4,627
Total.....		15,364	Total.....		112,513
Wines, liquors, and distilled spirits:					
United States.....		2,693			
United Kingdom.....		325			

RECAPITULATION.

	Value.
United States.....	\$1,961,075
United Kingdom.....	366,686
Germany.....	429,699
France.....	162,413
Italy.....	80,873
Spain.....	43,002
Belgium.....	4,443
Cuba.....	10,167
Porto Rico.....	16,123
Other countries.....	21,782
Total.....	3,096,263

NOTE.—The total value of imports from the United States includes gold and silver currency, amounting to \$359,435.

TABLE NO. 2.

Exports from the Republic of Santo Domingo during the calendar year 1905, showing the principal countries of destination.

Articles.	Quantity.	Value.	Articles.	Quantity.	Value.
Animals (live stock):			Coffee:	<i>Pounds.</i>	
Cuba.....		\$41,937	United States.....	458,591	\$39,992
Other countries.....		160	Germany.....	770,691	47,856
Total.....		42,097	France.....	681,958	51,131
Bananas:	<i>Bunches.</i>		Cuba.....	102,587	10,434
United States.....	514,000	257,000	Other countries.....	135,361	7,550
Other countries.....	33	17	Total.....	2,149,188	156,963
Total.....	514,033	257,017	Copra:	<i>Pounds.</i>	
Cacao:	<i>Pounds.</i>		Germany.....	128,595	2,024
United States.....	7,816,441	587,812	Total.....	128,595	2,024
United Kingdom.....	197,720	19,343	Gums and resins:	<i>Pounds.</i>	
Germany.....	11,840,612	859,653	United States.....	14,957	2,249
France.....	8,981,591	745,065	United Kingdom.....	2,565	50
Total.....	28,836,364	2,211,873	Other countries.....	15,237	903
Chemicals, drugs and dyes,			Total.....	32,759	3,202
raw material for:			Hides and skins:		
United States.....		2,784	Goatskins—	<i>Pounds.</i>	
United Kingdom.....		5,410	United States.....	168,594	40,140
Germany.....		18,061	Other countries...	4,852	981
France.....		222	Total.....	173,446	47,130
Cuba.....		228	Hides of cattle—	<i>Pounds.</i>	
Other countries.....		5,093	United States.....	167,567	17,565
Total.....		31,798	Germany.....	248,056	24,278
Cocoanuts:	<i>Pounds.</i>		France.....	167,247	21,591
United States.....	15,984	133	Other countries...	5,111	511
Germany.....	360,392	3,400	Total.....	587,981	63,945
Total.....	376,376	3,533			

TABLE NO. 2—Continued.
Exports from the Republic of Santo Domingo, etc.—Continued.

Articles.	Quantity.	Value.	Articles.	Quantity.	Value.
Honey:	<i>Gallons.</i>		Wax—Continued:	<i>Pounds.</i>	
United States	111,018	\$9,756	France	152,550	\$23,850
United Kingdom	680	68	Other countries	9,721	1,986
Germany	1,030	213	Total	470,922	94,669
France	945	160	Woods:		
Other countries	9,330	1,759	Mahogany—	<i>Feet.</i>	
Total	123,003	11,956	United States	186,519	6,936
Leather:			United Kingdom ..	202,031	7,086
United States		4,545	Germany	27,228	1,609
Germany		9,001	France	58,111	4,653
France		540	Other countries ..	62,739	1,951
Cuba		531	Total	536,628	22,235
Other countries		437	Lignum-vitæ—	<i>Tons.</i>	
Total		15,054	United States	1,942	51,674
Sisal and other vegetable			United Kingdom ..	270	2,564
fibers:	<i>Pounds.</i>		Germany	89	815
United States	77,515	9,393	France	115	2,108
France	5,950	425	Other countries ..	604	12,821
Cuba	62,722	11,509	Total	3,020	69,982
Other countries	33,000	450	Lancewood spars—	<i>Tons.</i>	
Total	179,187	21,777	United States	10	150
Sugar, raw:	<i>Pounds.</i>		Germany	56	825
United States	104,612,601	3,243,437	France	55	827
United Kingdom	1,186,700	43,886	Other countries ..	57	303
Germany	127,199	4,221	Total	178	2,105
Other countries	45,900	926	All other—		
Total	105,972,400	3,292,470	United States		18,372
Tobacco, leaf:	<i>Pounds.</i>		United Kingdom ..		3,279
United States	3,719,458	143,951	Germany		2,072
Germany	5,890,665	244,147	France		9,710
France	1,900,639	92,389	Cuba		100
Total	11,510,762	480,487	Other countries ..		7,299
Wax:	<i>Pounds.</i>		Total		40,832
United States	111,462	25,164	All other exports:		
United Kingdom	14,406	1,055	United States		17,209
Germany	182,783	42,614	United Kingdom		59
			Germany		217
			France		394
			Cuba		2,328
			Other countries ..		4,742
			Total		24,949

RECAPITULATION.

Total value of exports by countries.

United States	\$4,484,271
United Kingdom	82,800
Germany	1,261,006
France	953,065
Cuba	67,067
Other countries	47,889
Total	6,896,098

NOTE.—The total value of exports to the United States includes gold and silver currency, amounting to \$15,208.

TABLE No. 3.

Number and tonnage of vessels engaged in the foreign trade during the calendar year 1905.

Description.	Number.	Tonnage.
<i>Entered.</i>		
Sailing	233	29,798
Steam	539	845,788
Total	772	875,586
<i>Cleared.</i>		
Sailing	233	29,798
Steam	539	845,788
Total	772	875,586
Grand total	1,544	1,751,172

TABLE No. 4.

Value of imports carried in vessels in the foreign trade, by nationality, during the calendar year 1905.

American	\$1,952,352
German	700,382
French	208,990
British	93,945
Norwegian	88,621
Cuban	14,548
Dutch	12,265
National	11,419
All other	13,741
Total	3,096,263

TABLE No. 5.

Value of exports carried in vessels in the foreign trade, by nationality, during the calendar year 1905.

Norwegian	\$1,827,426
American	1,692,741
German	1,574,134
British	1,123,838
French	367,072
Italian	65,300
Dominican	34,712
Dutch	30,268
Cuban	28,249
All other	152,358
Total	6,896,098

EXHIBIT J.

Statement showing the value of imports and exports by years, 1891 to 1898, 1900, 1902, and 1905.

[Values for years omitted not available.]

Year.	Imports.	Exports.
First record of import and export values (probably a guess)	\$1,097,332.00	\$1,091,742.00
1891.....	1,006,386.00	1,676,799.00
1892.....	1,806,863.00	2,023,482.00
1893.....	2,846,904.03	5,658,276.51
1894.....	2,898,653.11	5,303,430.77
1895.....	1,731,668.84	1,764,060.43
1896.....	2,902,412.00	2,229,970.00
1897.....	1,702,567.56	4,661,159.41
1898.....	1,696,279.74	5,770,489.15
1900.....	3,233,177.87	6,005,864.22
1902.....		5,190,063.64
1905:		
Calendar year 1905.....	2,736,828.00	6,880,890.00
Year ending March 31, 1906.....	3,233,027.12	5,966,472.00

EXHIBIT K.

Statement showing the customs receipts by years during the period of "restoration,"
1867-1905.

[From the most reliable information obtainable; official records, except certain years, the records of which were destroyed.]

Year.	Import duties.	Export duties.	Port dues.	Total.
1867.....	\$34,464.41	\$10,250.36	\$16,203.83	\$110,923.60
1868.....	(*)	(*)	(*)	648,613.31
1869.....	(*)	(*)	(*)	648,160.29
1870.....	601,391.64	71,419.20	48,654.81	721,465.65
1871.....	483,252.23	111,563.26	56,124.99	650,940.48
1872.....	988,297.18	99,992.84	70,359.74	1,158,649.76
1873.....	661,641.40	90,326.04	49,278.36	801,245.80
1874.....	775,854.91	133,545.05	58,506.65	967,906.61
1875.....	769,056.64	106,006.36	55,610.51	930,673.51
1876.....	574,684.68	62,488.22	40,428.06	677,601.86
1877.....	643,979.80	100,718.00	49,910.96	794,608.76
1878.....	699,601.72	77,143.04	22,483.93	799,228.69
1879.....	551,426.70	71,604.02	11,475.16	634,505.88
1880.....	428,617.17	64,117.65	28,161.54	520,896.36
1881.....	628,547.81	112,128.49	38,563.36	779,239.66
1882.....	892,248.90	137,128.70	54,294.13	1,083,671.73
1883.....	988,018.66	172,198.74	87,791.46	1,248,008.86
1884.....	1,187,246.49	145,924.86	89,118.41	1,422,289.76
1885.....	1,026,849.59	9,338.77	85,343.08	1,121,531.44
1886.....	1,037,336.22	211,429.03	91,206.83	1,339,972.08
1887.....	1,111,885.53	270,014.01	100,019.45	1,481,918.99
1888.....	992,650.61	237,872.93	93,741.16	1,324,264.70
1889.....	1,180,515.83	161,277.43	127,062.81	1,468,855.07
1890.....	1,162,401.60	354,662.17	96,682.30	1,613,746.07
1891.....	946,839.41	260,260.33	94,045.03	1,301,195.37
1892.....	936,104.42	319,729.69	47,268.60	1,303,102.71
1893.....	824,480.84	201,022.69	43,446.36	1,068,949.89
1894.....	1,098,051.03	181,380.09	57,792.16	1,337,223.28
1895.....	1,005,431.75	271,172.72	52,917.46	1,329,521.93
1896.....	1,423,255.80	331,906.00	74,908.20	1,830,070.00
1897.....	1,116,936.18	376,291.75	58,786.10	1,552,014.03
1898.....	1,085,547.06	432,937.98	57,134.03	1,575,619.07
1899.....	558,277.60	381,906.49	26,430.52	966,614.61
1900.....	1,668,404.89	635,783.55	87,811.30	2,392,001.74
1901.....	1,711,030.30	340,000.00	90,054.20	2,141,084.50
1902.....	1,390,319.32	117,096.19	73,174.65	1,580,590.17
1903.....	853,233.07	138,943.23	44,943.23	1,037,119.53
1904.....	1,517,750.31	276,549.86	57,909.37	1,852,209.54
1905.....	2,063,445.56	368,066.40	113,636.67	2,545,148.63
Total.....				46,761,384.92

* Details not available.

NOTE.—The amounts shown as import duties in the foregoing statement of "customs receipts" by calendar years represent, according to the Dominican system of customs accounts, the amounts which *would have been* received if all duties accruing upon merchandise imported had been paid, but as importers have been given from ten to sixty days from date of entry in which to pay their dues, the amounts stated do not represent the actual cash receipts. Thus, the receipts from import duties during the calendar year 1905 are shown as \$2,063,445.56, when, as a matter of fact, \$332,146.94 of that amount remained unpaid upon the last day of the year; hence the actual receipts from import duties were \$1,730,998.62, reducing the total cash customs receipts from the amount shown for the calendar year to \$2,212,691.69.

The records of the customs receivership, established April 1, 1905, are, however, based upon the actual cash transactions, and the receipts for the year ending March 31, 1906, \$2,502,134.31, as shown by Table 3, Exhibit D, therefore represent the customs revenues actually collected in cash within the year.

On account of the system previously employed in recording the customs transactions of the Republic, it is impossible to accurately ascertain the actual cash receipts of any one year, but they may be approximated by deducting 10 per cent from the import duties and totals shown by the foregoing tables.

EXHIBIT L.

Statement showing the total available revenues of the Republic during the calendar year 1905, disposition thereof, and balance on hand December 31, 1905.

REVENUES COLLECTED.

Net customs collections.....	\$2, 163, 997. 15
Internal revenues collected as follows:	
Excise tax on spirits.....	\$137, 758. 00
Stamp taxes	44, 647. 17
Stamped paper.....	25, 193. 35
Post-office	13, 595. 07
Telegraph and telephones.....	7, 551. 52
Five per cent upon prizes, local lotteries.....	14, 533. 50
Registration of real-estate transfers and mortgages.....	1, 992. 60
Production tax on sugar, 10 cents per quintal....	10, 471. 53
Port electric-light tax, Santo Domingo.....	1, 366. 44
Public auctions, 5 per cent values.....	616. 15
Passports.....	478. 51
Rentals.....	67. 50
New York consulate.....	3, 438. 00
Fines.....	2, 095. 41
	263, 804. 75
Total revenues.....	2, 427, 802. 20

EXPENDITURES AND DISPOSITIONS.

Expenses by Departments:	
Congress	\$19, 016. 00
Interior.....	462, 814. 72
Foreign Relations.....	24, 369. 35
Justice and Public Instructions.....	164, 108. 16
Finance and Commerce.....	82, 654. 24
Public Improvements.....	40, 806. 44
Posts and Telegraphs.....	80, 315. 07
War and Marine.....	364, 516. 17
	\$1, 238, 600. 15
Customs expenses.....	94, 048. 23
Customs frontier guard	10, 427. 90
Payments upon public debt.....	246, 734. 40
Seggregated for payment upon public debt during 9 months, April to December.....	810, 000. 00
Cash balance available December 31, 1905.....	27, 991. 52
Total.....	2, 427, 802. 20

EXHIBIT M.

Statement of the public debt of Santo Domingo, December 31, 1905, as set forth in the annual report of the Minister of Finance and Commerce for said year.

EXTERIOR DEBT.

Obligations, or Dominican unified (2¾ per cent or 4 per cent), according to the contract approved September, 1901	\$15,974,832.85
Improvement Company	4,493,500.72
J. Sala & Co.:	
Convention of 1902.....	124,959.27
Arbitration award.....	226,602.60
“Empresa Puerto”	122,441.55
A. Font Company.....	44,022.65
Italian protocol.....	188,311.54
Foreign debt, 1½ per cent	351,401.02
Luis Aguirre.....	477.80
Total exterior debt.....	21,526,550.00

INTERIOR DEBT.

Holders of titles to interior floating debt.....	1,760,159.98
Successors to J. B. Vicini (interior floating debt).....	1,620,713.84
Notes of the National Bank.....	199,804.60
Inscribed deferred debt.....	550,683.41
Uninscribed deferred debt, received by the “Contaduría General de Hacienda” in accordance with decree of the Executive of December 14, 1904.....	398,362.04
Preferred revolutionary debt, November, 1901	79,812.12
B. Bancalari, contract No. 19	100,000.00
Successors to J. B. Vicini:	
Contract, July, 1903.....	250,092.32
Contract, October, 1903.....	3,881.29
J. B. Vicini Burgos, contract No. 59.....	60,385.16
P. A. Ricart, contract No. 38.....	3,061.49
J. Parra Alba:	
Contract No. 39.....	12,878.45
Contract No. 60.....	8,333.21
Steamship Estrella.....	3,260.45
Angelo Porcella, contract No. 47.....	4,788.83
B. Bancalari, contract No. 58.....	89,450.00
Bancalari, Lample & Co., contract No. 46	17,594.63
Contract, 50 cents, cacao	39,808.10
Contract, 60 cents, cacao	32,681.67
General Industrial Company, contract No. 74.....	7,389.37
P. L. Nadal, account of May, 1904	7,589.88
Joaquin Pou, account of October, 1904	8,720.83
S. Michelena, contract No. 64.....	8,607.11
Nicolás Vega, contract No. 67.....	1,147.79

Municipality of Santo Domingo, 1904.....	10, 104. 33
Junta Colombina, 1901-2	11, 220. 35
Junta de Oruato, 1904	2, 385. 89
Juan A. Lora, contract No. 31	6, 295. 75
Municipality of Puerto Plata	3, 340. 06
J. R. Sanchez, La Vega	2, 379. 35
Epifanio Rodriguez	879. 35
Promissory notes issued by the "Contaduria" on fixed terms, or payable in customs duties	568, 350. 04
Promissory notes issued by the "Contaduria" without date of payment	2, 810, 152. 07
Notes of hand issued by the "Administrador de Hacienda" of Santo Domingo	25, 867. 10
Total interior debt	8, 710, 180. 86
Total exterior and interior debt.....	30, 236, 730. 86

EXHIBIT N.

Statement of the principal sugar plantations under cultivation in Santo Domingo March 31, 1906.

Names of sugar estates.	Owners.	Nationality.	Number of acres in cultivation, including colonies.	District in which situated.
Angelina	General Industrial Co.....	American.....	20,000	San Pedro de Macoris.
Consuelo	William Bass .....	.....do	21,667	Do.
Porvenir.....	Hugh Kelly .....	.....do	16,667	Do.
Santa Fé	Syndicate—Bartram-Ross .....	.....do	19,167	Do.
Quisqueya.....	Bartram Brothers .....	.....do	15,000	Do.
Porto Rico	Successors of Serrallés	Porto Rico-American.	13,334	Do.
Cristobal Colon	Hermanos Muñis	Cuban.....	17,500	Do.
San Luis.....	Ricardo Acosta	American.....	4,167	Santo Domingo.
San Isidro.....	Bartram Brothers .....	.....do	12,500	Do.
Italia	General Industrial Co .....	.....do	13,334	Do.
Ocoa .....	.....do .....	.....do	8,334	Ocoa.
Azuano .....	.....do .....	.....do	10,000	Azua.
Ansonio	Hugh Kelly .....	.....do	8,334	Do.
Mercedes.....	Successors of J. Batlle & Co.....	Spanish.....	3,750	Puerto Plata.
Total.....	.....	.....	183,754	

EXHIBIT O.

Excerpts from annual reports of deputy receivers at the various ports of the Republic.

PORT OF AZUA.

Deputy Receiver, OSCAR S. MARCHENA (Dominican).

SIR: On submitting to you the accounts corresponding to the last month of the first year of your functions, in the customs of the Republic, it is pleasing to me to consign a few remarks with regard to the workings of the custom-house under my charge, the results of which have been really satisfactory.

The practice of differential duties calculated formerly on goods imported from abroad, which were declared at less values by the merchants, or in an incorrect form, constituted the easiest means of damaging the interests of the State. Free as they were of any penalty, the merchants combined the most clever methods for their declarations, and it became arduous work, not to say impossible, to determine the real quantity, weight, or measurement of the merchandise imported. The attention of the office under my charge was directed toward correcting this fault, which is one of the most regretful, right away, and keeping for that purpose within the prescriptions of the law and obeying always the administrative orders of the receivership; the remedy proved efficient. To-day it may be assured that the practice formerly in vogue of falsifying declarations has ceased, and that they are at present most exact. Thanks to this and to other dispositions, not less important, such satisfactory results have been attained, during the fiscal year which has just expired, at the custom-house at this port. Comparing the result obtained with that of former years of the present decade it is observed that in none of them has such yield been attained. During 1901 the customs receipts reached \$49,546.57; in 1902, \$40,179.21; in 1903, \$49,475.99; in 1904, \$58,147.07; but last year has surpassed all former results, with receipts of \$87,478.95, which is even greater than the receipts of 1900, which is the year of greatest activity of which we have record. It is to be hoped that the new period to be initiated will yield still better results, judging from the commercial current of the western districts, which are beginning to develop, thanks to the active

vigilance and good organization established on the customs frontiers by the chief of the guard, Mr. M. E. Beall, and to the no less efficient assistance in this work that Mr. Domingo Rodriguez has ably rendered, putting a stop to contraband, which lessened the Government revenue. * * *

I salute you, respectfully,

(Signed)

OSCAR S. MARCHENA.

PORT OF BARAHONA.

Deputy Receiver, TULIO QUIRICO H. (Dominican).

SIR: The contract celebrated between the Dominican Government and that of the United States of America, under the name of *modus vivendi*, closes to-day its first year. I wish I could establish comparisons between former years and the one which ends this day, but lacking all the data that are required to complete such work, because the office to-day under my direction does not contain in its files anything in reference to the former production, I have to limit myself to state to you that the careful organization under which the customs offices are administered is categorically justified. * * *

It does not cause any trouble to-day to give justification to what I have stated, as the Government, as well as the people in general, have been able to be clearly and firmly convinced that the system followed during the past year is quite sufficient basis to estimate with certainty the proceeds of its revenues. * * *

Affectionately,

(Signed)

TULIO QUIRICO H.,

Deputy Receiver.

PORT OF DAJABON.

Deputy Receiver, WALTER M. ST. ELMO (American).

SIR:

* * * * *

Prior to the establishment of the receivership at this port, on October 1, 1905, no records were kept or returns rendered of transactions at this custom-house, therefore no data is available. Dajabon was, prior to the establishment of the receivership, practically an open port. Optional duties were sometimes collected by the local authorities upon importations, which duties amounted to about one-fifth of those prescribed by law. In many cases no regular duties were collected, gratifications or bribes being paid instead, if anything at all. This condition of affairs caused the introduction of

large quantities of merchandise through this port via Haiti, principally composed of textiles, shoes, flour, lard, butter, perfumes, etc., which importations, especially during the months immediately preceding the establishment of the receivership, assumed enormous proportions—amounting to a wild scramble during those months to lay in a complete stock before the closing of the port to such practices. In this illegal manner large quantities of merchandise were introduced into Dajabon, Monte Christi, and Santiago, as well as to intermediate towns through the central and northern sections of the country. Since the establishment of the customs and frontier guard conditions have changed radically. Contraband has practically been stopped, or at least limited to an occasional small lot, smuggled in through the mountains. The work of the customs guard has been rendered difficult during the past three months by almost continuous local disturbances, which have prevented the free operation of the guard in the territory adjacent to the frontier. The present laws governing smuggling have contributed to render the work of stopping contraband most difficult, as the smuggler is allowed to escape with simple confiscation of his merchandise, or after much loss of time in bringing the case to the customs jury, during which time the culprit can not be detained, for its decision, which, if unfavorable to the smuggler, imposes a small fine in addition, or a short term of imprisonment.

Very respectfully,

(Signed)

WALTER M. ST. ELMO,

Deputy Receiver.

PORT OF MACORIS.

Deputy Receiver (position of deputy receiver vacant).

No narrative report.

PORT OF MONTE CHRISTI.

Acting Deputy Receiver, Commander JAMES S. PHILLIPS, U. S. Navy, in charge of customs.

SIR : * * * * * * *

The records show that the excess of exports over imports for the last three years amounts to \$99,392.90, and for the year just completed the value of exports exceeds that of imports by \$95,093.10. For many years the chief export from this port was logwood, the value of which, it is said, exceeded many times the total of all other

exports combined. It will be noted that the export of logwood has, for recent years, been practically nothing. This was due to the fall in the market price of the article. Such condition might be met and this trade revived in part by the reduction of the port dues to one-half or less for vessels engaged solely in this trade without interfering with trade generally, and it would have the effect of increasing the amount received as port dues. * * *

Of imports, Table A shows, for the year ending March 31, 1906, an increase of values of imports and of duties collected over those of the year ending March 31, 1904. The percentage of the duties collected, however, falls a little under the percentage of the duties collected for 1904, and is accounted for by the act of Congress approved December 5, 1904, which places all manufactures of sugar on practically a free basis. * * *

The collections of the duties on exports is a very simple matter. On imports, however, the classification and assessment is very difficult. Among the difficulties is the determining of the class or quality of an article. The duty to be collected depends upon whether or not an article is first, second, or third class, or fine, medium, or common quality, and there are, of course, as many opinions as there are assessors. * * *

I have observed that while the treaty was at first bitterly opposed, and Americans very much disliked at this port, public opinion has gradually changed. I know that now the substantial, thinking men, and those of property, look upon the continuance of the *modus vivendi*, or the ratification of the treaty as the only salvation for this country, and they say that the defeat of the treaty or interruption of the *modus vivendi* would bring anarchy and the worst of disorders upon the country. The people generally have accepted the conditions, and during the recent revolution the custom-house was neither threatened nor attacked, while many of the natives of Monte Christi fled to it for protection. The *modus vivendi* has stopped the use of 25 per cent of the customs receipts which was set aside to pay indiscriminate claims against the Government, and has collected the customs duties in an impartial manner. After the custom-house was taken over at this port under the *modus vivendi* in April of last year, a great deal of contraband was secretly run across the frontier from Haiti in the vicinity of Dajabon and Copey. Since the establishment of the frontier guard the smuggling from Haiti has been practically eliminated. Some of the work of the guard has come under my observation, and I know of the many obstacles that were met and overcome, the trials they have undergone, and that success, of which so many were skeptical, has been very nearly achieved. The disordered condition of that part of this district has been such that the

guard is with great difficulty holding the ground it has gained, but with peaceful conditions success is assured. The Dajabon route for contraband supplied Santiago, Monte Christi, and many small towns.

Respectfully,

(Signed)

JAMES S. PHILLIPS, *U. S. Navy,*
Collector.

PORT OF PUERTO PLATA.

Deputy Receiver, JUAN J. SANCHEZ-GUERRERA (Dominican).

H. B. SCHELLINGS, *Assistant* (American).

Showing made of receipts amounting to \$872,379.11, as against \$655,657.41 for the previous year, a net gain of \$216,739.70, or approximately one-third. This is due to the suppression of smuggling upon the frontier and the increased efficiency of the administration of the customs at this port.

Letter transmitting statistical showing, signed,

J. J. SANCHEZ-GUERRERA.

PORT OF SAMANA.

Deputy Receiver, G. A. DIAZ (Dominican).

SIR: * * * * * * *

The production of the year under the system established by the *modus vivendi* has been \$68,045.16. The comparison with the previous year shows an apparent disadvantage, inasmuch as the amount of said year showed \$93,983.44, but notwithstanding the data provided it is noticed that the true advantage is on the side of the new system, if the following is considered:

In the previous year considerable debt was paid by customs duties, of that which the State owed to the merchants of this place—and that was the motive of the unusual increase in importations, so as to cancel the sooner the debts referred to. This gave a doubtful result to the increased production of the previous year and diminution of the imports in the following year. I must declare that while the present system is more laborious it is entirely superior to the one existing before, as well as under the point of view of its organization and the perfect control which can be established in that receivership over all customs transactions.

With all consideration, I salute you,

(Signed)

G. A. DIAZ,
Deputy Receiver.

PORT OF SANCHEZ.

Deputy Receiver, ALBERTO E. FIALLO (Dominican).

SIR: At the close of the first year of the customs exercise under the new system of forms, it is pleasing to me to convey to the general receivership my frank and sincere congratulations for its expert and timely disposition. By them, the organization now introduced in the customs service of the Republic is more complete, its operations are carried on in a more regular and extensive form, it provides prompt and easy means of auditing, and offers the statistical department clear and precise data; but the deficiency of our tariff is now more evidently shown, hence the urgent need of its reform by a system more practical, more scientific, and more equitable. The present tariff is nothing but a source of eternal discussions, which causes the lack of harmony which exists between the customs service and the merchants. And these discussions and disagreements will always occur on the application of the present tariff, in view of the different interpretation to which it is subject, not only to the custom-house and the merchants, but for the custom-houses between one another, and for the custom-house itself when called upon to assess upon classes and qualities. * * *

I should have liked to have been extensive with comparative data in regard to the transactions and collections of the expiring year with those of former years, but the files of this custom-house are not complete, and it has not been possible, even with regard to the years 1902, 1903, and 1904, because the files of 1904 only exist, but from the few reports existing it is shown that the collections made are larger than those of previous years.

Respectfully,

(Signed)

ALBERTO E. FIALLO,
Deputy Receiver.

PORT OF SANTO DOMINGO.

Deputy Receiver, JUAN B. ALFONSECA (Dominican).

SIR: * * * * *

Owing to my having taken charge of this office in the middle of November last year, and to the fact that I found the work somewhat in arrears and disarranged, in which condition, to a certain extent it still remains, I have to limit myself to transmitting to you a comparative statement of the transactions of imports and exports between the year previous to the *modus vivendi*—that is, from the 1st

of April, 1904, to the 31st of March, 1905, and the 1st of April, 1905, to the 31st of March, 1906.

You will observe a difference of \$151,536.54 (35 per cent, more or less, if compared with the first year) increase during this last exercise, which difference can, no doubt, be attributed principally to the newly introduced organization. It is my opinion that the present method of administration and of collections established by the *modus vivendi* for the customs imposts is, up to now, the most practical and simple, and from which the best result has been attained.

* * * * *

Respectfully,

(Signed) J. B. ALFONSECA C.

EXHIBIT P.

Memoranda of important laws, decrees, and incidents affecting the tariff and customs of the Dominican Republic, 1845-1906.

1845. Original Dominican tariff published and promulgated under the first Republic January 1, 1845. Rates, 16 per cent aforo and 20 per cent ad valorem; also $2\frac{1}{2}$ per cent on amount of duties, to be paid by importing vessels, as "duties of consignment"—the tonnage tax fixed at \$1 gold per ton—coast permits, \$4 per ton.

1847. First law requiring stamped paper for customs documents enacted July 5, 1847.

1847. National currency circulated at 10 to 1 gold.

1850. National currency circulated at 20 to 1 gold.

1851 to 1854. National currency circulated at 50 to 1 gold.

1855. Duties, 25 per cent.

1857. National currency, $68\frac{3}{4}$ to 1.

1857. Later rate for national currency to be fixed every Monday.

1858. National currency in circulation, \$40,000,000—\$80 per capita—repudiated by Government, but continued to circulate at 2,500 to 1.

1859. Government forced to redeem by foreign government at rate of 500 to 1 face value of new titulos, bearing 6 per cent interest, but same immediately depreciated to 2,000 to 1.

1860. Import duties, 30 per cent.

1861. Spanish régime reduced duties to 15 per cent, and attempted to redeem \$8,000,000 national currency then in circulation at 250 to 1.

1865. All Spanish customs records removed upon Spanish evacuation.

Import duties increased to 25 per cent immediately thereafter. Later, same year, increased to 30 per cent.

1865. September 28, 1865, the Government fixed the rate of exchange for national paper currency issued during the Spanish war of \$5,000 for \$1 gold and contracted the "consolidated debt" to raise money with which to redeem at that rate. Hotel rates at the capital this year were \$10,000 per day, national currency.

1866. New issue of paper money at 2 to 1 on September 25. In December of the same year it had depreciated until it was necessary to fix the rate of exchange once a week.

1867. Import duties on merchandise imported direct from the United States and Europe reduced to 15 per cent.

1870. National currency, 400 to 1.

1873. All Government accounts ordered kept in hard money, no standard named.

1875. February 20, tariff revised; rate, 40 per cent; 6 per cent reduction on merchandise imported from Europe.

1879. Import duties, 34 per cent; preferential rate on merchandise from Europe abolished. May 15, agricultural implements and packing material for native products to be exported declared free.

1880. October 14, act of Congress granting the Panama Canal Construction Company the privilege of selecting any place in the Republic for its use as a free port. August 31, import duties amounting to \$200 payable in eight days from date of liquidation; amounting to \$1,000, in fifteen days; to \$5,000, in thirty days; and above, in sixty days.

1881. Import duties, 40 per cent.

1882. May 2, decree authorizing coinage of metallic money—\$15,000 in $2\frac{1}{2}$ -cent nickel pieces. Additional tax of 6 per cent on imports. Interest paid by the Government apparently reduced from 10 per cent to 3 per cent per month.

1883. July 3, duty of 12 per cent imposed on Mexican dollars imported.

1884. April 18, Congress ratified reciprocity treaty with the United States.

1887. January 20, import duty raised to 52 per cent; $2\frac{1}{2}$ -cent nickel pieces to the value of \$30,000 authorized.

1888. November 1, Congress accepted customs receivership by representatives of the Dutch creditors, Westendorf & Co.; \$75,000 per month to be paid to the Government, remainder to apply on debts. Import duties, 50 per cent.

1889. August 14, decree authorizing coinage of national silver and nickel coins, same to be receivable as legal tender for all debts, public and private; thereafter, all books, public and private, to be kept in Dominican coin values under penalty of a fine.

1890. May 16, import duties fixed at 60 per cent.

1891. January 4, vessels bringing immigrants exempted from port dues. August 1, act carrying into effect the reciprocal arrangement with the United States re free exchange of certain commodities. Import duties increased 5 per cent.

1892. Import duties increased 1 per cent, proceeds to be used in building a monument to the memory of Columbus.

1893. March 24 Congress ratified transfer of Westendorf customs receivership to the Santo Domingo Improvement Company, latter assuming all obligations of the former. Import duty of 20 per cent imposed upon silver dollars and 30 per cent upon subsidiary coin.

1894. Import duties, 50 per cent, with $3\frac{1}{2}$ per cent surcharge. Reciprocity treaty with the United States declared null.

1894. Export duty on tobacco and import duty on silver coins abolished. Specific duties established on numerous articles not theretofore mentioned in tariff schedule.

1895. April 23, safe-conduct granted to "the Reverend Carlos F. Morales" to return to the country, entering through the capital.

1896. May 20, special surcharge of 6 per cent aforo.

1897. August 9, import duties fixed at 50 per cent, with additional surcharge of 3 per cent.

1897. September 9, fixed tariff values revised.

1898. All revenues temporarily increased 10 per cent.

1900. June 2, Congress approved the establishment of the gold standard, with American gold dollar as a unit of value.

1901. July 12, receivership by Santo Domingo Improvement Company abolished; 54 per cent of customs revenues thereafter to be applied to Government expense, and 46 per cent to be delivered to a commission of "honorables" on account of the public debt. December 7, fixed tariff values revised.

1902. May 17, import duties aforo increased to 65.8 per cent, and 30 per cent surtax imposed upon fixed duties. August 16, decree imposing fines upon owners of products sought to be exported when not properly packed. August 23, decree guaranteeing the producers of sugar, coffee, cacao, and tobacco that no tax would be imposed upon those products for twenty-five years from date of decree. September 13, with a view to obtaining reciprocal benefits for local products four distinct classes of duties were established, viz, minimum, medium, surcharged, and highest. The first class to be the regular duties in force; second, 30 per cent additional; third, 60 per cent additional; and fourth, 100 per cent additional.

1903. December 19, Provisional Government decree exempting sugar from export duties for twenty years.

1904. April 9, export duty imposed upon sugar at the rate of 22 cents per 100 pounds. April 30, export duty on sugar abolished, and production tax of 10 cents per 100 pounds imposed. May 4, a surtax of 8 per cent aforo established temporarily—known as "war tax"—making the aforo and ad valorem rates 73.8 per cent. December 10, refined sugar and products with a sugar base, or containing a marked proportion of sugar artificially introduced, such as chocolate, confections, sweet biscuits, condensed milk, and analogous articles, to be admitted at 50 cents per 100 pounds and raw sugar at 25 cents per 100 pounds.

1905. June 27, decree effective January 1, 1906, declaring 30 per cent of the actual export duties collected to be internal revenue, and devoting the same to the building of railroads.

1906. April 21, all duties and taxes on sugar abolished, effective August 1, 1906.

EXHIBIT Q.

Historical sketch of Santo Domingo, Island of Haiti, 1492-1906.

The original inhabitants of the island, who, tradition informs us, were North American aborigines driven from the mainland by their warring contemporaries at a prehistoric date, probably settled among the western mountains, and, influenced by the first impressions of their newly adopted home, called it Haiti, or Highland. This name has since been universally accepted, and the entire island, as well as the Republic occupying its eastern third, is so known to-day. Subsequently, the early inhabitants named the eastern portion of the island Quisqueya (Mother of Earth) and the western Balbeque, or Bohio (Gold Land), but these latter names have been almost forgotten, and are now only used in traditional or poetic writings.

The first permanent landing of Columbus in the Western Hemisphere was made upon the northwest coast of Haiti December 5, 1492, at a place which he named San Nicolas, and from the 12th of the same month he took possession of the newly discovered land in the name and on behalf of the sovereigns of Spain—Ferdinando el Catolico and Doña Isabella I—calling it Española, because of its supposed resemblance to Spain.

The discovery was followed by a period known to Spanish history as "the epoch of conquest," replete with dissensions and disturbances among the members of Columbus's own expedition, whose "ambitions and passions for gold became boundless," and which culminated in the temporary recall of Columbus. Upon his return from Spain in 1496 Columbus built the cities of Santo Domingo, Santiago, and La Vega Real, and endeavored to control the entire island by capturing the native chiefs and subjugating their tribes. But the seeds of discord and revolution, introduced with the first unhappy colony, proved fruitful from the beginning, and the island has since been the scene of almost continual disturbance, war, and bloodshed, with but short intervals of complete peace, which seemed to have occurred only when the inhabitants were too exhausted to maintain their struggles.

The corner stone of the city of Santo Domingo, the Spanish capital, was laid upon the 4th of August, 1496, and received its name from the saint of that day. Thereafter, the Spanish possessions gradually partook of the name of its capital city until it was officially

recognized as the name of the colony, and has since clung to it through its various political changes.

African negroes were first imported into the island as free laborers, with the approval of Queen Isabella, by the Reverend Lascassas during 1515, with a view to relieving the natives, who had been enslaved, and assisting in the development of agriculture; but they, too, were soon after declared slaves, and so remained with their descendants, and those of later importation, until delivered by Touissant Louverture, nearly three hundred years later. The present inhabitants of Santo Domingo, numbering about half a million, are a mixed race, descendant from the original Indians, Spaniards, and Africans, and ranging from pure-blooded negroes to pure Spanish. Few, if any, of the pure-blooded Indians are left, and the marks of their characteristics are therefore becoming constantly less noticeable.

During the entire period of foreign occupation the natives and negro slaves imported were subjected to indescribable sufferings and torture through the cupidity and cruelty of their foreign masters, which accounts, in a large measure, for the lack of confidence in and even hatred for foreigners found to-day among the natives in different parts of the island, notably in the Republic of Haiti.

In 1697 Spain ceded the eastern portion of the island to France, and thereafter for many years those two nations shared the spoils of the richly endowed island, at the same time partaking of the evil consequences and withstanding the struggles which resulted from the depravity and misrule of the early invaders.

History records several changes in the control of the ruling powers, and during the first three centuries every political complication between France and Spain created commotion upon the island.

The attempt of Spain in 1740 to interrupt English commerce with New York by means of privateers, which landed their spoils in the Spanish territory upon the island, initiated among the inhabitants the practice of smuggling, and all kinds of illicit trade, especially between Haiti and Santo Domingo.

From 1736 friction upon the land frontier gave rise to frequent encounters between the forces of France and Spain, until the treaty of Aranjuez, establishing the boundary line, was signed upon the 3d of June, 1777. Following the ratification of this treaty, conditions were somewhat improved, but the French, Spanish, and English complications furnished frequent interruptions to commerce. In 1798, however, Touissant Louverture, representing the French possessions, entered into an arrangement with the governor of the Spanish colony and officers of the British fleet, by which the entire island was to be treated as neutral and independent ground by the three

interested powers, so far as the then prevailing disturbance in Europe was concerned.

Louverture became all-powerful in the French possessions after the negro uprising of 1791, during which the French residents were practically annihilated and the negro slaves substantially gained their freedom. He invaded the Spanish territory against strong resistance in 1800, entered Santo Domingo City, the capital, January 27, 1801, and proclaimed the negro slaves of the Spaniards free citizens. As a result of this invasion many Spaniards, including the governor-general and other high officials, emigrated to Cuba and Porto Rico, while those who remained were subjected to the eagerly sought revenge of the former slaves. Through this invasion, and its results, was established a long-continued and intense hatred on the part of Dominicans toward the Haitians. Louverture returned to Haiti, where his invasion of the Spanish possessions and treatment of the inhabitants met with the disapproval of the President of the French Republic. He was bitterly annoyed at this, and showed his displeasure by compelling the National Assembly to frame a constitution by which slavery was formally abolished, all men declared equal, and he, Louverture, proclaimed governor for life, with the right of naming his successor. This constitution, which was signed and promulgated August 29, 1801, placed in his hands the legislative and administrative power, including complete control of the finances and revenues of the country. Having thus acquired autocratic power over the entire island, he returned to Santo Domingo January 3, 1802. But during the latter part of the same month General Leclerc, with 16,000 French troops, landed on the shore of Samana Bay, subdued the entire island, captured Louverture, and took him away in irons to France, leaving General Ferrand as governor of the Spanish part of the island, with a small force to support him.

The new governor authorized the enslaving of prisoners captured upon the Haitian frontier, and at the request of the agriculturists permitted the renewal of the slave trade for a limited number of years. History indicates that this ruler used every effort to advance the interests of the colony, as he understood them, which in fact became prosperous for a short period, but only to be again disturbed by their violent neighbors, the Haitians, who proclaimed their independence January 1, 1804, under the dictatorship of Jean Dessalines.

Dessalines afterwards declared himself Emperor, and proved a despotic murderer, killing all the whites who remained in his territory. He then invaded Santo Domingo, prosecuting a war of extreme cruelty, and would have been successful in conquering the country had it not been for the timely assistance of a French admiral, who chanced to be in Dominican waters. Dessalines was

compelled to give up his purpose, but marked his retreat to Haiti with murder, incendiarism, and inconceivable cruelties to women, children, and aged noncombatants, thereby reviving and increasing the hatred which Dominicans have cherished for the Haitians from generation to generation.

The sentiment of the colony was nevertheless in favor of returning to Spanish rule, and in 1808 Don Juan Sanchez y Ramirez headed a revolution against a French régime, which resulted in its overthrow and the death of the French governor, General Ferrand, who took his own life rather than fall into the hands of the Dominicans.

Don Juan Sanchez y Ramirez, who thereafter acted as governor in behalf of Spain, died in 1811, greatly regretted by all the natives.

Then followed the administration of Nunez-de-Caceres, during which a racial uprising took place, and many of the leaders were executed. January 5, 1818, General Kindelan arrived from Cuba with the commission of captain-general, and the old Spanish régime was reestablished. Paper money was issued as a remedy for the wretched financial condition of the country, but proved a failure, and was finally withdrawn, having depreciated in purchasing power to \$4 paper money for \$1 gold. The government of Kinderlan succeeded in overcoming all disturbances until 1820, when he was recalled and Don Pascual Real succeeded to the captain-generalship in May, 1821.

In November of the same year the famous Dominican lawyer, José Nunez de Caceres, then the representative of Spain as governor of Santo Domingo, fearing that Spain, on account of complications with her South American colonies, would abandon Santo Domingo, and thus leave the latter again open to Haitian invasion, entered into a conspiracy for the establishment of a Colombian Federation. The local garrisons of Spanish troops were overwhelmed, apparently without bloodshed, and upon the 1st of December, 1821, the Colombian flag was hoisted and saluted by all the batteries of the various forts, amidst cries of "Vive la Independencia." Independence from Spain was thus gained, but the Colombian Federation proved a failure, and the Republic of Santo Domingo once more stood alone against its ancient enemies, the Haitians.

Almost immediately upon the failure of the Federation the Haitians, under President Boyer, renewed their attacks and invaded the country with such determined persistence, that on the 19th of January, 1822, the entire island fell under their control.

Haitian rule over Santo Domingo continued with more or less violent opposition and humiliation to the Dominicans until 1844, in which year, upon the 27th day of February, the Dominicans, under

the leadership of Francisco del Rosario Sanchez, Duarte, and Mella, proclaimed their independence and overwhelmed the Haitian garrisons, which capitulated after but two days' resistance.

The new Republic then adopted a national flag, and designated Pedro Santana as commander-in-chief of its forces.

Immediately upon receiving the news of these happenings in Santo Domingo President Boyer, of Haiti, marshaled all of his forces and proceeded to again invade Santo Domingo for the purpose of reconquering that territory. But his first and all subsequent attacks failed, except to involve the two countries in a bloody frontier war, which continued with but short intermissions during the succeeding seventeen years, until Spanish reoccupation in 1861. This period, too, was one of almost continual internal revolution and commotion, bringing the country to such a state of exhaustion that General Santana, who had been most prominent as a military hero in obtaining independence, and who had acted as Chief Magistrate of the Republic three times, became so discouraged with the futility of all attempts to bring about a peaceful condition of affairs that in 1860, being then President, he addressed the Queen of Spain, asking that the Republic be reincorporated with the mother country, which was accomplished March 18, 1861. Thus, the stormy record of the first Republic of Santo Domingo was closed by the peaceful acceptance again of the Spanish rule.

The opponents of annexation to Spain had urged that if it were accomplished slavery would be reestablished; and the fear of that result induced such a feeling of insecurity among the natives that General Santana, who had been appointed the first governor-general on behalf of Spain, issued a decree June 18, 1861, condemning to death any person heard discussing the reestablishment of slavery in the territory of the former Republic.

Francisco del Rosario Sanchez, one of the patriots who had been chiefly responsible for wresting the country's independence from Haiti, upon learning that annexation had been effected, left St. Thomas, where he was sojourning at the time, and appeared in Haiti, expecting to obtain effective assistance from the several Dominican generals who had been exiled by the Spaniards, to overthrow the new Spanish régime and regain the country's independence; but disappointment awaited him, as only one of the exiled generals came to his aid. Sanchez, with a small party, however, entered the Republic and attempted to cause a general uprising, but the Spanish troops, guided by Dominicans, soon surrounded and captured his small band, and Sanchez, with several of his followers and friends, was shot July 14, 1861, after a summary trial by court martial. This act proved the deathblow to the good feeling theretofore existing on the part of Dominicans toward Spaniards, and

caused a serious rupture between the two peoples almost immediately upon return to Spanish rule.

Felipe Ribero y Limoine, a Spaniard, succeeded General Santana as governor-general in July of the same year, and the new governor notified the Spanish Government, February 3, 1863, that the country was morally in a state of rebellion. The social and political conditions became more and more complicated, until it was officially accepted that the Dominican people were engaged in a revolution against Spain. The rebellion increased in violence until all Dominicans, except those who were unable to leave the towns, had taken to the bush and joined in a guerrilla war, which finally forced the Spanish troops to withdraw entirely from the interior and concentrate at the coast towns.

General Santana, who had brought about the annexation and served the Spaniards throughout, was relieved from command for failure to obey orders, on June 2, 1864, and took his own life on the 14th of the same month. So was sadly ended the career of one of the most prominent men of which Dominican history makes mention, and one who had labored faithfully, according to his own light, for the welfare of his country.

In January, 1865, the new Dominican Government was organized, with Santiago as its seat, and Gen. Pedro Antonio Pimentel was declared the first President.

General Pimentel assumed office upon the 25th of March, and May 1, 1865, the Queen of Spain approved the decree derogating the order of annexation which had been issued in May, 1861.

The royal seal of Spain was removed May 18, 1865, but owing to the reluctance of the Spanish commander, General Gandara, to give up the possessions, and hoping that some counter order would be received, the Spanish troops were not entirely removed until July. Thus, after three years of the most cruel war that ever visited the island, in which the Spaniards lost more than 40,000 men from wounds and pestilence and the country was reduced to a condition of ruin, the Spanish reoccupation, which began March 18, 1861, terminated upon July 12, 1865, with the regained independence of the Dominican Republic.

This brings us to the present epoch of the country's political freedom, which is known to Dominican history as "restoration" and dates, according to official records, from the 16th of August, 1863, the day upon which the rebellion against Spain took active form.

With the events of this period we are more or less familiar. The spirit of revolution had been so thoroughly diffused among the people during the preceding three centuries of continuous commotion that it had seemingly become a part of the national character, and

the independence gained merely served to direct the warlike habit toward internal disorder.

The first Government of the new Republic was overthrown by internal revolution within a month after Spanish evacuation, and during the period 1865-1906 the country has undergone the devastating effects of twenty general revolutions, and many more local disturbances under the leadership of bandit chiefs and political adventurers, who took advantage of the weak governments and chaotic conditions ever existing to plunder and destroy; twenty-five administrations came into power and were deposed, while but few national elections approaching regularity took place.

A perusal of Dominican history convinces one that the character, motives, and practices of the ruling class among the early European settlers were at least indirectly responsible for the disorders and internecine struggles that have prevailed almost continuously since the discovery; and the immediate reasons for the disorganized and distressed financial condition of the Republic to-day are to be found in the record of political upheavals and changes which have occurred during the period of restoration, as shown by the following self-explanatory tables:

Historical table, showing political changes and approximate public debt at intervals during the "restoration" period, 1865-1906.

Date of assuming executive control.	How obtained.	Name of Chief Executive.	Title.	Date of retirement.	Cause of retirement.
*July 12, 1865	Revolutionary war; proclaimed.	Antonio Pimentel.....	Provisional President.	†Aug. 4, 1865	Revolution.
Aug. 4, 1865	Revolution....	José Maria Cabral.....	Protector de la República.	Nov. —, 1865	Do.
Nov. —, 1865	.....do	Buenaventura Baez.....	President.....	May 29, 1866	Do.
May —, 1866	.....do	{Gen. Gregorio Luperon... Gen. Pedro A. Pimentel.. Gen. F. de Jesus Garcia...}	Triumvirate	Aug. 22, 1866	Do.
Aug. 22, 1866	Resignation in his favor by triumvirate.	José Maria Cabral‡.....	Public Administrator.	Jan. 31, 1867	Do.
Jan. —, 1868	Proclaimed....	Buenaventura Baez.....	President.....	§ 1874	Do.

* Immediately following two years of revolutionary war, initiated August 16, 1863, and resulting in the evacuation of the country by the Spaniards.

† First independent Administration overthrown twenty-three days after inauguration.

‡ Thereafter elected President, September 29, 1866. Revolution began eight days later and continued until he was overthrown. The country was then ruled by revolutionary chiefs, without head, until January, 1868.

§ Six years of almost constant revolution.

Historical table, etc.—Continued.

Date of assuming executive control.	How obtained	Name of President.	Date of retirement from office.	Cause of retirement.	Increase in public debt as recorded at intervals.
Jan. 1, 1871					
During 1871	Revolutionary election.	Buenaventura Baez.....	1874	Revolution ..	*\$1,565,832 2,100,000
Apr. 6, 1874	.....do	Ignacio M. Gonzalez.....	1876	Expiration of term.	
Apr. 29, 1876	Election	Ulysses F. Espaillet.....	Oct. 5, 1876	Revolution ..	
Oct. 5, 1876	Revolution	Ignacio M. Gonzalez.....	Nov. 14, 1876	.....do	
Dec. 1, 1876	.....do	Buenaventura Baez.....	Feb. 24, 1877	.....do	
July 6, 1878	Provisionally proclaimed.	Ignacio M. Gonzalez.....	Sept. 30, 1878	.....do	
Mar. 21, 1879	Revolutionary election.	Cesario Guillermo.....	Oct. 6, 1879	.....do	
Sept. 1, 1880	Peaceful election.	Fernando A. de Meriño (a priest).	Sept. 1, 1882	Expiration of term.	
Sept. 1, 1882	Disorderly election.	Ulysses Heureaux.....	Sept. 1, 1884	.....do †.....	
Sept. 1, 1884	Election	Gregorio Billini.....	Jan. 6, 1885	Resigned ‡.....	
Jan. 6, 1885	Resignation ..	Alexander Gil (Vice-President).	July 1, 1886	Expiration of term.	
Jan. 6, 1887	Revolutionary election.	Ulysses Heureaux.....	Feb. 27, 1888		(§)
Feb. 27, 1889	.....do .....	.....do .....	|| 1893	Expiration of term.	
1890					8,350,000
1893	Forced election.	Ulysses Heureaux.....	¶ 1897	Expiration of term.	11,425,000
1894					12,675,000
1895					14,425,000
1897	Forced election.	Ulysses Heureaux.....	1899	Shot	19,426,750
July 26, 1899	Succession.....	W. Figuereo.....	Aug. 30, 1899	Resigned.....	
Sept. 2, 1899	Revolution	Horacio Vasquez.....	Nov. 14, 1899	.....do	
Nov. 15, 1899	Election resulting from revolution.	Juan I. Jimenez.....	Apr. 26, 1902	Revolution ..	
Apr. 26, 1902	Revolution	Horacio Vasquez.....	Mar. 23, 1903	.....do	24,590,033
Apr. 18, 1903	.....do	Alexander Gil.....	Nov. 26, 1903	Revolution proclaimed.	29,027,625
Dec. —, 1903	.....do	Carlos F. Morales.....		Provisional President.	
June —, 1904	Election .....	.....do	Jan. 12, 1906	Resigned**..	32,066,380
1905	Approximate nominal debt (recorded).....				33,336,295
Jan. 12, 1906	Succession.....	Ramon Caceres (Vice-President) declared President.			

* Per report of United States Commission of Inquiry to Santo Domingo.

† During this term numerous revolutionary disturbances occurred.

‡ Demitted upon suggestion of Vice-President.

§ From some time before February 27, 1888, until February 27, 1889, the country was involved in general revolution, Heureaux claiming Dictatorship. The approximate indebtedness in 1888 was estimated and recorded at \$3,850,000.

|| Continued revolutions. Constitutional term extended to four years.

¶ Continued minor revolutions.

** After having left the capital to join revolution against his own Government.

NOTE.—The period of 1887-1904 was one of almost continuous revolution and disturbance, interspersed with short intervals of peace, secured by the irregular use of public funds and intimidation. During the period 1871-1888 the indebtedness was constantly increasing, as indeed was the case during the entire period covered, but apparently no effort was made to ascertain the amount until the latter year. The increase of apparent debt during the period 1903-1905 is chiefly due to presentation of old debts and claims theretofore unrecorded. The great increase in debt seems to have occurred during the confused dictatorship of Heureaux, and the final amount named is only approximate and does not include many disputed and unascertained amounts.

SUPPLEMENTARY.

Recapitulation.—Financial and political history, 1865-1906.

1865, July 12	Gained independence; national debt.....	.....
1865 to 1905.....	Twenty general revolutions; revenues collected, over.....	\$40,000,000.00
	National debt contracted; face value approximately	35,000,000.00
	Total expenditures.....	75,000,000.00
1905, March 31	Cash in Treasury.....	.....
	Condition of country, roads, and public buildings worse than 1865.	
1905, April 1.....	Modus vivendi established.	
1906, January 2.....	Revolution attempted, but collapsed January 16—fourteen days after inception—from lack of funds.	
1906, March 31.....	One year from adoption of modus vivendi—debt not increased—many public improvements made and inaugurated, and cash on hand.....	1,228,536.44

EXHIBIT R.

Extracts from the report of the Minister of Finance and Commerce, the Hon. Federico Velasquez, for the calendar year 1905.

CITIZEN PRESIDENT: I feel gratified, from the start, to state that, thanks to the established organization and to the relative assistance rendered by the creation of new imposts, the present situation is far different from the former one, which was entangled and chaotic, as explained in my last year's report. Having reorganized the offices in the most effective manner, as far as the limited number of competent persons to be found among us has permitted, added to the personal responsibility exacted in the fulfillment of their duties, some advance has been made as regards order and in the accounts, as will be shown by the data forming the body of this report.

* * * * *

REVENUES.

The total collected during the year 1905—\$2,427,802.20—is the best proof of the results attainable by means of order and good organization. The sum collected this year, as general revenues, has never before been reached, and more especially so the customs revenues have never approached such results in the annals of the Republic. And this embodies the most flattering hopes for the future, being at the same time an accusing statement, revealing the causes which brought the Dominican State to the border of perdition—to such an extent as to see its economical autonomy restrained, and by that fact, in a certain measure, its complete sovereignty lessened. The Republic reveals itself equal, to all intents and purposes, not only to maintain its existence as a State, by covering its budget in due form, but by developing by itself its sources of richness and of work by means of useful reforms, which may tend to increase our production, offering good roads for transportation, and to facilitate commerce in order to enable our products to compete in foreign markets to the benefit of all our branches of wealth—upon whose productive capacities our hope of redemption and of a brilliant future must be based.

* * * * *

This Ministry has used its utmost endeavor to render effective the impost of 10 cents per quintal upon the sugar produced, and has met with serious difficulties; but notwithstanding its interest in the

fulfillment of the established law, it avails itself of this opportunity to declare that it is urgent that the National Congress should repeal said decree, which taxes sugar with 10 cents upon each quintal produced, in view of the enormous production announced for the coming crop, and of helping the producers here to compete with Cuba and Porto Rico, whose sugar is favored in the United States.

* * * * *

It seems to have been forgotten how much has been written and spoken against the despoliation of the public revenue, and of how certain the nation would go to ruin by that road. The debts were enumerated, the condition of its exhausted Treasury was spoken of, and in the presence of such a picture one and all considered the independence of the country in jeopardy from intervention. But it appears that all that is considered finished; that our Treasury is replete with money, and that the debts no longer exist. And that is where the mistake exists; the evil of yesterday prevails to-day, and it must be remedied. That evil demands that each one must understand, if he has any aspiration to be called patriot, that whatever is given or done for the country with the purpose of saving it carries in itself its own recompense; that it must not be ruined, pretending to save it, by gifts and favors, when it can only become prosperous through economy, work, and order.

* * * * *

It should be explained that in the sum of \$104,476.13 (expenses), with reference to the collection of the customs revenues, are included the expenses of the whole year, and it is easily explained that its amount should be larger, since the customs proceeds have also been much greater, and therein are contained, as well, the expenses of the frontier guard, which did not exist formerly, and the results of which have proved satisfactory—by avoiding and prosecuting contraband—by stopping illegal commerce on the frontier and thereby increasing the customs revenues of Azua and Monte Christi, whose proceeds had become almost nil.

In virtue of the resolution of March 31, 1905, there has been deposited in the National City Bank of New York, from April to December, each month, the sums corresponding to 55 per cent of the customs collections, after deducting the sums required to pay the expenses. This sum amounts to \$810,000, and I can safely state that the same has been since increased to nearly one million dollars, for the payment of the public debt. Counting the interest accrued on this deposit—say, \$5,027.13—up to December 31, 1905, we have the total amount of \$815,027.13. This is the first time that the Republic, in such a short time, fulfilling even more than the prescription of the

budget, has set aside an amount so considerable for the payment of public debts. And the moment has arrived to enter into consideration of said resolution. To continue to live under the conditions as they existed at the close of 1904 became morally and materially impossible. Ruin and disaster were imminent from the moment that the greater proportion of our revenues were compromised and a very small portion was left to pay expenses. In the presence of inability to fulfill existing engagements it was to be feared that coercion would be employed, and that in consequence of the seizures executed by foreigners—sustained by their governments—on account of our weakness, taking possession of our custom-houses, the breakdown would have been completed, and, left without means of existence, our political death would have become the sequel of our economic death. * * * It became the duty of the men at the head of public affairs, both as a governing element and as patriots, to save the State, and therefore the Dominican-American convention was entered into. But the convention did not represent an immediate remedy for the evil, the imminent character of which did not permit of delay. All who, in and out of the country, had contracts were demanding their execution; foreign claims were pressed; the “award,” with all its mortifying exigencies, was being executed; while, on the other hand, the state of anarchy prevailing in the country continually threatened revolutions, which were about to consume the remainder of its resources. Therefore it became imperative for the executive power to act quickly, assuming the responsibility for the measure, and to face with tranquillity the interested judgment of its contemporaries, in the hope that it would be justified by that of history—more just and impartial. The convention had to be accepted by the Houses of both countries before the same could be put in execution. It might be accepted or not—and in the meantime the evil would increase until the ruin of the Republic had become certain and irreparable. The Executive did its duty completely in assuming the entire responsibility for the measure, which, although arbitrary, inasmuch as it determined the suspension of payments, was beneficial and saving, as the only refuge left to the State against the danger of a terrible situation. And, strong in its conviction and in its patriotism, it issued the resolution of March 31, 1905. Thanks to this timely measure, the country at once entered into a period of relative ease and of establishing economy and order, through which medium the Treasury became disengaged, dedicating 55 per cent of the revenues to the payment of the debt, with the intention of paying the same simultaneously and proportionately (by proportionate distribution among

the creditors), and being able to dispose of the 45 per cent remaining for the public service; while the source which always fed disturbance became barren by reason of the fact that the custom-houses were out of reach of the revolutionary parties, as is shown by the failure of the last powerful revolution, which would no doubt have spread over the entire country, filling it with blood, mourning, and tears, and desolating again its villages and fields, had it not been for the sole and principal circumstance that the fountain which had provided proselytes and resources had failed, and for which they (the revolutionists) are now sighing in despair. The advantages obtained, up to the present time, through that measure, although severely censured, are shown in every line of this memoria, which reveals the considerable increase in the revenues of the Republic, contributing to the order and organization of the public treasury, and which are the forerunners of its future redemption.

* * * * *

I salute you, Citizen President.

The Minister of Finance and Commerce,

FEDERICO VELASQUEZ H.

SANTO DOMINGO, *February, 1906.*

EXHIBIT S.

Extracts from the report of the Minister of Foreign Affairs, the Hon. Emiliano Tejera, for the calendar year 1905 (Official Gazette No. 1670, March 17, 1906).

* * * * *

Four days after assuming the duties of my Department, President Morales clandestinely left this city (capital of the Republic), at the same time as the revolt at Jaina took place. This was an unprecedented occurrence in our country, and it caused great alarm. What was the legal status of the President, who left the capital, seat of the Government, or that of the members of the executive power (Cabinet Ministers), who continued at the capital, not having been removed? Could the President constitute a new executive power by making appointments of Ministers outside of the capital? The study of the constitution furnishes easy and certain replies to these queries, and all antecedents confirm the prescriptions of the substantive law.

The capital was the seat of the Government, and only in cases of exceptional emergency could the executive power be transferred to another place of the Republic, and in such cases only by virtue of a previous decree from the legislative or from the executive power, which had to be published beforehand in the Official Gazette. And although the appointing of Ministers is an act purely personal of the President of the Republic, that same act must be exercised at the seat of Government, which was the city of Santo Domingo, since there existed no decree to the contrary; besides, the publication in the Official Gazette for promulgation, which had to be preceded by the remotion of the Secretaries of State in function at the time. Nothing of the kind was possible for President Morales. No decree had been given declaring another city of the Republic the capital, nor were there any exceptional cases of emergency, nor had the Ministers been removed by a decree issued at the capital and promulgated in the Official Gazette; he was out of the capital, and even if he had given the decree it could not be dated at Santo Domingo, nor could it be published in the Official Gazette. Any act in opposition to the substantive law would have been null and ineffectual, and if the fact be added that he had joined the rebels of Jaina, who resisted and fought the rural guard, a body of men in uniform, known by everyone as pertaining to the constituted Government, it

will be understood that the President committed a serious error, if nothing else, in changing his legal condition, as accepted by everyone, for that of a defined revolutionary.

And it is well to bear in mind that the Dominican executive power is a collegiate body, and not unitarian. The President of the Republic is a member of that body, with equal vote as the other seven, and having only the privilege of naming and changing the Secretaries of State, who, together with him, constitute said power. The faculties vested in the President of the Republic by former constitutions correspond to-day to the executive power, but some persons are under the mistaken impression that the President of the Republic has the same faculties held by him formerly, and from that point of view many lamentable errors are made.

During the period from the 24th of December, 1905, to the 12th of January, 1906, on which latter day the Congress accepted the resignation of President Morales, I was in cordial relations with all the members of the diplomatic and consular body residing at this city. Their elucidation and exquisite tact resulted in an agreement to accept and consider the case of President Morales as one of temporal impediment to exercise power; and no one expressed the least doubt regarding the legality of the Government which followed immediately that of President Morales. After the acceptance of the resignation of President Morales and the formation of the new executive power, effected on the 12th of January of this year, it became impossible that any doubts would be entertained by those who had none previously when the facts demanded the investigation of our constitutional right.

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The Senate of the United States closed its sessions last year without approving or rejecting the convention signed on the 7th of February of the same year between this Government and that of the United States. As at the time, on the part of the Dominican Republic, there existed the wish to settle in the best possible manner its financial affairs, the executive power resolved, on the 31st of March, 1905, to appoint a person to receive all the customs revenues; that of the amount collected 45 per cent be given to the Government to defray their budget, and that with the remaining 55 per cent the small expenses of the receivership be paid, depositing the balance in a bank in New York. If the convention was accepted, the amounts thus deposited to be distributed among national and foreign creditors in a fair and just proportion to their claims and in accord with said convention, and if this was rejected, said amount to be distributed, with equity, by the Dominican Government among the creditors, in conformity with an agreement to be made with them.

The designation of the bank and that of the receiver were left, as a guaranty, to the President of the United States, pending which all payments of the debts of the Republic were suspended. The President of the United States accepted the *modus vivendi*; designated, in the first days of April, as receiver, Col. George R. Colton, in order that this Government might confer the appointment; and designated the National City Bank as depository of the amounts resulting from the 55 per cent of the customs revenues. The beneficial result of this proper disposition, both politically and economically speaking, is shown by the failure of the last revolution, and the existence in said bank of a balance of about one million dollars, destined to the various creditors of the Republic.

On the 1st of April, 1905, the diplomatic representatives and consuls, whose subjects held claims against the Republic, were made aware of the decree establishing the *modus vivendi*. The chargé d'affaires for Italy made some reserves on the subject, as he had made regarding the convention, but it appears after all that in view of the explanations from this Ministry he found it better to obtain slow but sure payments, instead of being subject to contingencies as experienced heretofore.

The day will come when the convention of the 7th of February and the *modus vivendi* will be appreciated to its full value. Both agreements are the deliberate result of the purest and most conscientious patriotism—that patriotism which is not formed of pompous words, but which is manifested on the field of battle, sacrificing life for the honor of the country, or in deliberations and resolutions wherein the sacrifice of one's self-love on the altar of justice is required.

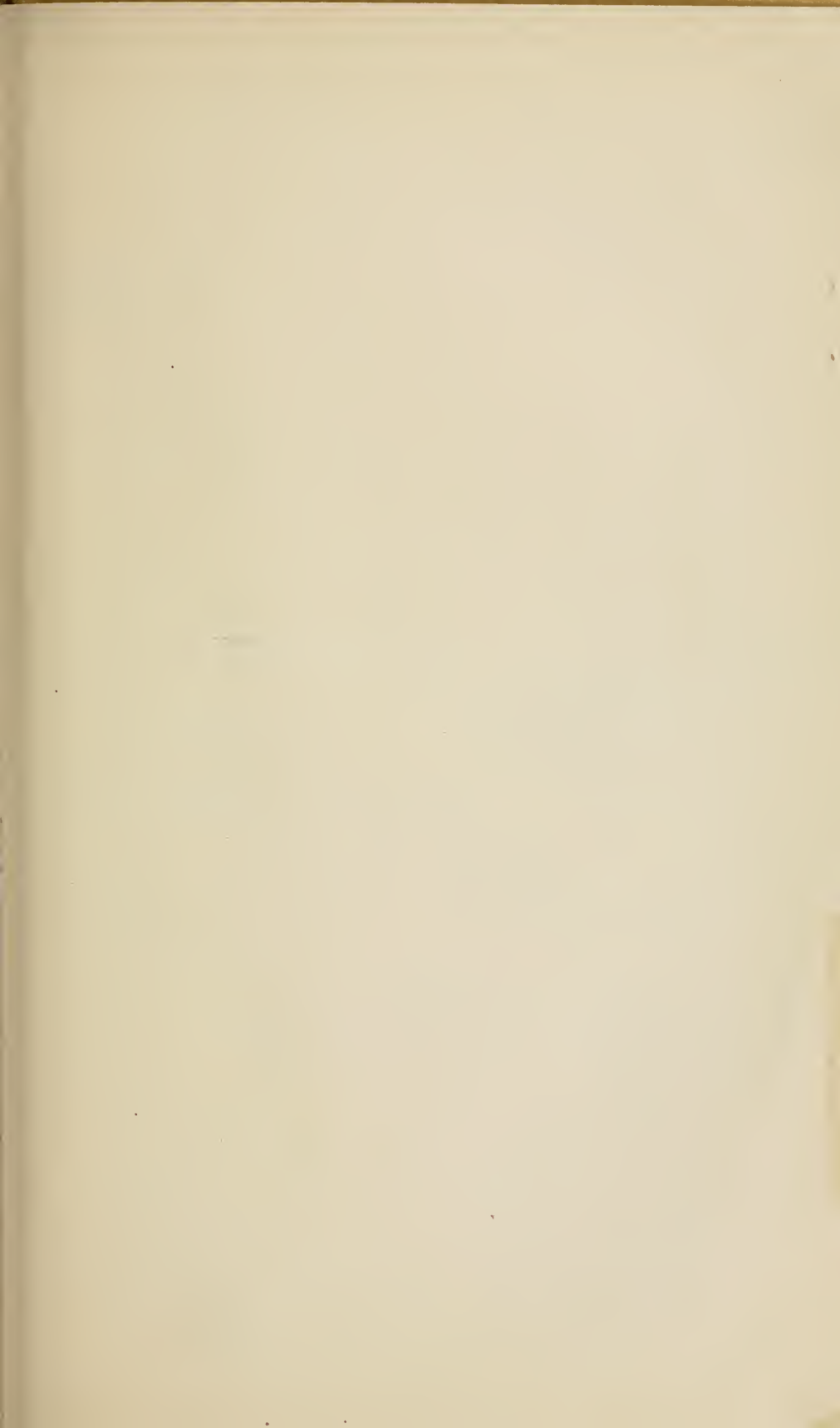
After nights of orgies the Dominican youth awoke, and what did it find? On the shoulders of the people a debt of millions, surcharged by conventional interests, which absorbed the totality of the nation's revenues; but that debt had all the appearance of legality, and some of it was quite legal, and besides those having right thereto were subjects of powerful nations. These debts had to be paid, and the Government, representing that honest and generous youth, reduced its expenses, imposed new sacrifices on the people, and decided to fulfill the engagements entered into by previous bad governments. When the Treasury was getting replete in strength of efforts and economy and saving, covetousness awoke, and the revolutionaries opened the gates of the jails and prisons, vomiting forth a band of hungry beings on the National Palace, and several of the portfolios fell in the hands of persons who should wear the livery of a convict. What could be the result? The destruction of the economies and the increase of the debt. And one

attempt after another attempt showed evidently that as long as there are dealers without conscience charging 10 for 1, and speculators disguised as patriots, who shared the proceeds of such frauds, neither were the debts paid, nor could the revolutions cease. It was necessary to put the custom-houses out of the reach of the covetousness of the false patriots; to make usurious loans impossible—whether real or fictitious—and avert in that way the shipwreck of national independence in a sea of shame and abomination.

To judge facts it is necessary to place oneself in the same conditions of those who realized those facts. It is not the same to pretend to amputate the leg of a healthy person as to perform the same operation on one whose leg is gangrenous. The former would consider it a case of lunacy, while the latter would consider it a salvation. This is the way with the convention of the 7th of February. If we owed nothing—if we only could have hopes to pay—there would be no justifiable reason to celebrate a convention. It is a work of necessity, imposed by the revolutionaries, and patriots carry it into effect with the blush of shame on their faces, but knowing truly that this painful act of theirs will restrain revolutions and reestablish the credit of the nation, allowing the payment of its debts, founding the future of the country on a basis of stability, leaving to our successors, happier than we have been, a life of peace, and the satisfaction of having complied with their duty.

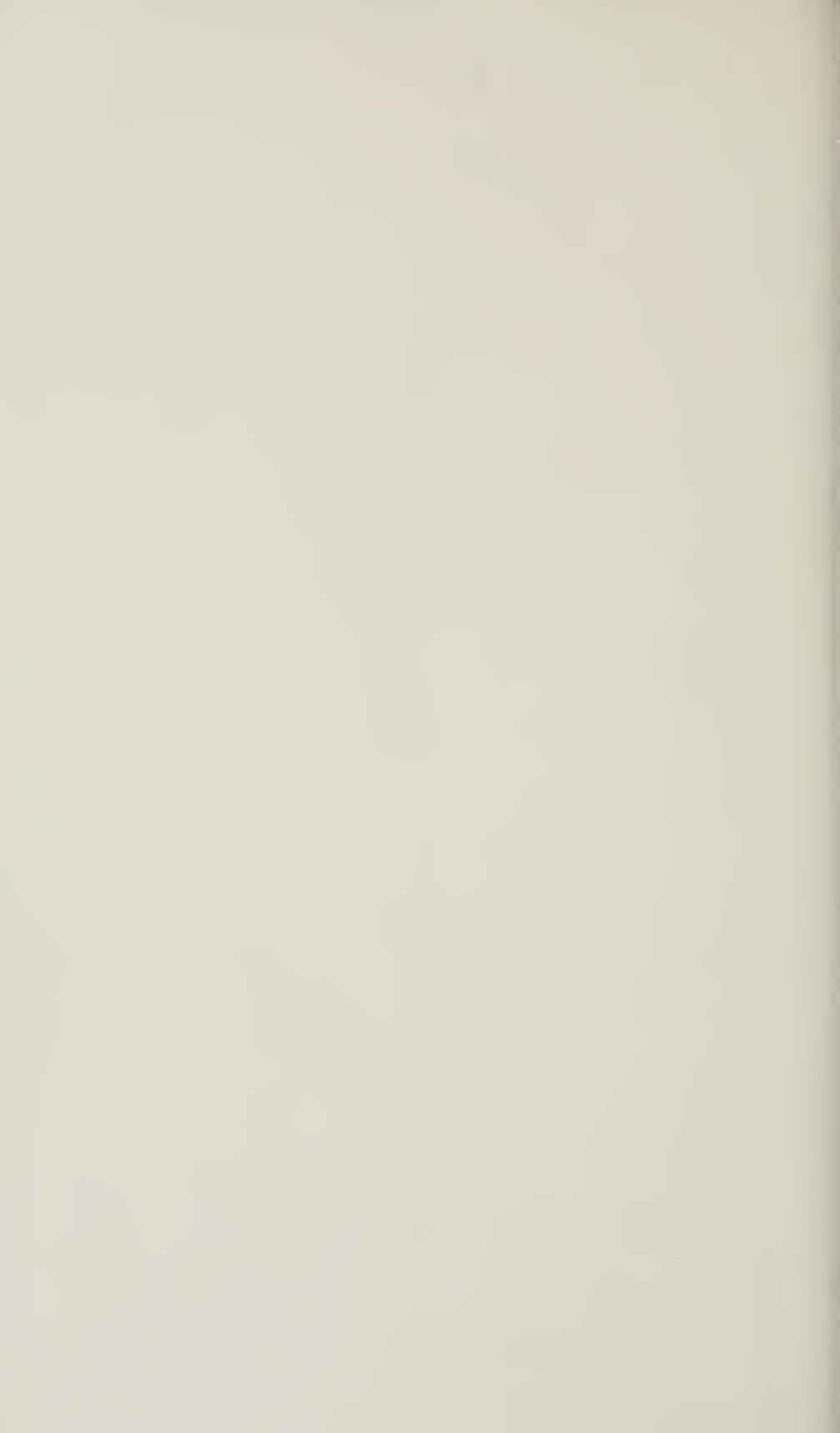
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(Signed) *The Minister of Foreign Affairs,*
EMILIANO TEJERA.











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